

**For information  
on 4 November 2013**

**Legislative Council Panel on Commerce and Industry**

**Public Consultation on Treatment of Parody  
under the Copyright Regime**

**Purpose**

This paper provides Members with the latest background information on the public consultation on treatment of parody<sup>1</sup>.

**Background**

2. The Government issued a consultation paper (copy at Appendix A) on 11 July this year to explore how our copyright regime should give due regard to present day circumstances and take care of parody as appropriate, to strike a balance between copyright protection and freedom of expression. In the consultation paper, we have put in context the discussion and set out possible options regarding the treatment of parody, including exemption from criminal and civil liabilities.

3. We briefed Members on the consultation paper at the meeting on 16 July. To facilitate the work of the Panel in scheduling deputation meeting for 4 November, we have extended the public consultation period for one month until 15 November.

4. Since the launch of the consultation exercise, we have engaged the general public and stakeholders through different channels and forums and encouraged them to take part in the discussion and express their views. We are running a designated webpage for the consultation exercise and have uploaded the consultation paper, press releases, FAQs and other materials. We publicised the consultation exercise by placing

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<sup>1</sup> An important feature of this genre is the inclusion of an element of imitation or incorporation of certain elements of an underlying copyright work. In overseas jurisdictions, a variety of terms such as parody, satire, caricature and pastiche are used to describe this genre in legislation or policy discussion as well as in case law, referencing different perspectives or emphasis (such as the intended purposes or effects). For the sake of consistency and convenience, we collectively use the term “parody” in the consultation paper as a general reference to such imitations.

advertisements on print media, the Internet and the radio, and entertaining media interviews.

5. Public forums were organized on 17 August and 22 September. More than 140 members of the public attended. Various engagement sessions targeted at copyright owners and copyright users were held. We also attended seminars and discussion sessions organised by different stakeholders.

6. The consultation exercise has brought out certain queries and issues. We provided clarifications through posting FAQs onto the designated webpage (latest version at [Appendix B](#)).

### **Way Forward**

7. We welcome stakeholders to continue to express their views during the consultation period. We will also continue to engage stakeholders, listen to their views carefully and engage in rational discussion. We maintain an open mind towards the treatment of parody. We will carefully consider the views collected and formulate proposals which serve the best interest of Hong Kong.

Commerce and Economic Development Bureau  
Commerce, Industry and Tourism Branch  
October 2013

## Treatment of Parody under the Copyright Regime Consultation Paper

### Introduction

In pace with the rapid development of the knowledge-based economy, we keep our copyright law under regular review to ensure that the regime continues to strike a balance between the legitimate interests of copyright owners and users and the general public, and to serve the best interest of Hong Kong. Following extensive consultations since 2006, a Bill<sup>1</sup> was introduced into the Legislative Council (LegCo) in June 2011 to update the Copyright Ordinance (Cap. 528). Among other things, it sought to introduce a technology-neutral communication right<sup>2</sup> to better protect copyright works in the digital environment<sup>3</sup>.

2. Parody was not a subject that the Bill sought to address, but wide-ranging views on this were expressed in the community during the examination of the Bill in LegCo. After thorough scrutiny, the LegCo Bills Committee supported passage of the Bill with suitable amendments and requested the Administration to separately consult the public on the treatment of parody in our copyright regime<sup>4</sup>. But owing to other pressing business LegCo had to transact, the Bill did not resume Second Reading Debate and lapsed upon expiry of the previous term of LegCo in July 2012.

3. The Administration would now like to consult the public on the treatment of parody under our copyright regime in order to map out the way forward for the package of legislative amendments already scrutinised and supported by the LegCo Bills Committee. This will enable the re-introduction of a new amendment Bill into LegCo to update our copyright regime in earnest.

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<sup>1</sup> The Copyright (Amendment) Bill 2011.

<sup>2</sup> At present, the Copyright Ordinance (Cap.528) gives copyright owners a number of exclusive rights including the right to make a copyright work available to the public on the Internet, to broadcast a work or to include a copyright work in a cable programme. The current modes of transmission specified in the Ordinance, including “making available”, “broadcasting” and “inclusion in cable programme” may not be adequate to cope with future developments in electronic transmission. Introduction of a new communication right would ensure that our copyright law will endure the test of rapid advances in technology to obviate the need to change the law every time a new communication mode emerges.

<sup>3</sup> The Bill also fosters cooperation between copyright owners and online service providers to combat online copyright infringement, and facilitates new modes of uses of copyright works such as e-learning and media shifting.

<sup>4</sup> See the report of the Bills Committee at [www.legco.gov.hk/yr11-12/english/hc/papers/hc0420cb1-1610-e.pdf](http://www.legco.gov.hk/yr11-12/english/hc/papers/hc0420cb1-1610-e.pdf).

## Copyright and Parody

4. The use of parody taking advantage of an existing work as a form of expression is not new. With advances in technology, it has become easier for members of the public to express their views and commentary on current events by altering existing copyright works and to disseminate them through the Internet. In Hong Kong, popular forms of this genre in recent years include (a) combining existing news photos or movie posters with pictures of political figures; (b) providing new lyrics to popular songs; and (c) editing a short clip from a television drama or movie to relate to a current event (sometimes with new subtitles or dialogues).

5. An important feature of this genre is the inclusion of an element of imitation or incorporation of certain elements of an underlying copyright work. Depending on the circumstances in individual cases, this might or might not amount to copyright infringement. In overseas jurisdictions, a variety of terms such as parody, satire, caricature and pastiche<sup>5</sup> are used to describe this genre in legislation or policy discussion as well as in case law, referencing different perspectives or emphasis (such as the intended purposes or effects). For the sake of consistency and convenience, we would collectively use the term “parody” in this consultation paper as a general reference to such imitations<sup>6</sup>.

## Copyright and Freedom of Expression

6. Copyright as a property right is recognised and protected under the Basic Law as well as the local law of Hong Kong<sup>7</sup>. At the international level, Hong Kong has an obligation to protect copyright pursuant to several international copyright conventions which apply to Hong Kong<sup>8</sup>. Freedom of

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<sup>5</sup> The Oxford English Dictionary defines the terms as follows –  
Parody: an imitation of the style of a particular writer, artist or genre with deliberate exaggeration for comic effect  
Satire: the use of humour, irony, exaggeration, or ridicule to expose and criticise people’s stupidity or vices, particularly in the context of contemporary politics and other topical issues  
Caricature: a depiction of a person in which distinguishing characteristics are exaggerated for comic or grotesque effect  
Pastiche: an artistic work in a style that imitates that of another work, artist or period

<sup>6</sup> We note that the local media and some sectors of the public sometimes use the term “secondary creation” (“二次創作”) interchangeably with “parody”. This is not a term commonly used in copyright jurisprudence and may entail a much larger scope than parody. In fact, the term “secondary creation” has been used very loosely to cover a wide-range of activities, including a mere adaptation or modification of a copyright work. As such, the subject of the present consultation is parody but not “secondary creation”.

<sup>7</sup> Article 6 of the Basic Law provides that the HKSAR “shall protect the right of private ownership of property in accordance with law”. Article 140 of the Basic Law specifically requires the Government to “protect by law the achievements and the lawful rights and interests of authors in their literary and artistic creation.”

<sup>8</sup> These treaties include The Berne Convention for the Protection of Literary and Artistic Works (Berne Convention), The Universal Copyright Convention, The World Trade Organization - Agreement on Trade-Related Aspects of Intellectual Property Rights, The World Intellectual Property Organization Copyright Treaty and The World Intellectual Property Organization Performances and Phonograms Treaty.

expression on the other hand is entrenched under the Basic Law and the Hong Kong Bill of Rights (“BOR”)<sup>9</sup>. Both copyright and freedom of expression are not absolute. They are subject to certain restrictions<sup>10</sup>.

7. Since competing rights are involved, a fair balance needs to be struck between copyright protection and the freedom of expression on the part of those who seek to use or communicate copyright works.

## **The issue and arguments**

8. During the discussion of the Bill, there were suggestions that the Government should clarify the treatment of parody or similar acts under the existing law and the Bill because some were worried that the parody practice commonly seen today might be inadvertently caught by the criminal net. Some also proposed introducing some forms of criminal exemptions or copyright exceptions for parody. While some copyright owners have no objections to the exemption of parody from the criminal net, they are concerned that a new copyright exception for parody would adversely affect their legitimate interests. The pertinent issue to address is whether our copyright regime should be changed to deal with parody.

9. Those who support some forms of special treatment consider that parody -

- (a) causes little or no economic damage to the copyright owners as a parody is unlikely to substitute the original work;

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<sup>9</sup> Article 27 of the Basic Law provides, inter alia, that “Hong Kong residents shall have freedom of speech, of the press and of publication”. BOR Article 16(2) provides that “Everyone shall have the right to freedom of expression; this right shall include freedom to seek, receive and impart information and ideas of all kinds, regardless of frontiers, either orally, in writing or in print, in the form of art, or through any other media of his choice.”

<sup>10</sup> For copyright, the existing Copyright Ordinance (Cap.528) provides for a number of exceptions (paragraph 14 below). For freedom of expression, BOR Article 16(3) qualifies the right to freedom of expression by recognising that the exercise of the right “carries with it special duties and responsibilities”, and that this right may be subject to restrictions which are provided by law and are necessary for the specified purposes, including “respect of the rights or reputations of others”. The English Court of Appeal had commented that “freedom of expression should not normally carry with it the right to make free use of another’s work.” See *Ashdown v Telegraph Group Ltd.* [2002]R.P.C. 5, per Lord Phillips M.R. paragraph 46. In considering the issue of freedom of expression and copyright protection, Lord Phillips has made the following comments in paragraph 39 of the judgment: “We have already observed that in most circumstances, the principle of freedom of expression will be sufficiently protected if there is a right to publish information and ideas set out in another’s literary work, without copying the very words which that person has employed to convey the information or express the ideas. In such circumstances, it will normally be necessary in a democratic society that the author of the work should have his property in his own creation protected. Strasbourg jurisprudence demonstrates, however, that circumstances can arise in which freedom of expression will only be fully effective if an individual is permitted to reproduce the very words spoken by another.” On the other hand, it is trite law that the court will apply the “proportionality test” in determining whether restrictions on fundamental rights including the freedom of expression are lawful. We note that the restriction of the freedom of expression should be rationally connected to a specified purpose, and is no more than necessary to achieve the purpose. See *HKSAR v Ng Kung Siu* [1999] HKCFA 10.

- (b) may, in some cases, make the original work more popular by drawing attention to it;
- (c) encourages creativity, nurtures new talents and even entertainment business, and therefore contributes to the overall economic and cultural development of society; and
- (d) serves as effective tools for the public to express views or comment on social and public affairs, and enhances freedom of expression.

10. On the other hand, those who oppose a special treatment of parody consider that -

- (a) the present regime (discussed in paragraphs 11-16 below) already strikes a fair balance between the legitimate interests of different parties, and evidently has not hindered the creation and dissemination of parody;
- (b) a special treatment of parody would create uncertainty and increase opportunities for abuse by blurring the line between parody and outright copyright infringement;
- (c) a special parody treatment would affect copyright owners' legitimate interests in seeking licensing revenue over use of their works for parody, lowering the returns for their creative works and thereby dampening creativity; and
- (d) a special parody treatment might conflict with certain moral rights of creators, e.g. right to be attributed and right to preserve the integrity of their works<sup>11</sup>.

## **Current legal position in Hong Kong**

11. Not all parodies involve copyright infringement.

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<sup>11</sup> Under the copyright regime, moral rights allow the authors of literary, dramatic, musical and artistic works, and the directors of films to preserve their relationship with the creation of their works. Sections 89(1), 92(1) and 96(1) of the Copyright Ordinance (Cap. 528) afford protection to three kinds of moral rights, namely (a) the right to be identified as author or director, (b) the right to object to derogatory treatment of a work, and (c) the right not to have a work falsely attributed to him as author or director. The first two rights are recognised by the Berne Convention which is applicable to Hong Kong. Only civil liabilities will be attracted by violating these rights, and to our best knowledge, there is no local court decision on infringement.

12. For parodies that only incorporate the idea or reproduce an insubstantial part of the underlying works, they do not constitute any copyright infringement as copyright only prohibits substantial copying of the original work and does not grant a monopoly over the underlying ideas or information.

13. Parodies incorporating a substantial part of the underlying work with consent from the copyright owner, including such as by way of an appropriate Creative Commons licence<sup>12</sup> are lawful. Parodies can also be lawfully produced by incorporating works in the public domain<sup>13</sup> with expired copyrights such as classical painting like Leonardo da Vinci's "*Mona Lisa*" and songs like Beethoven's "*For Elise*" provided that the production does not involve the use of sound recordings or other works which are protected by copyright.

14. In addition, the existing Copyright Ordinance provides for a number of copyright exceptions or permitted acts for users to facilitate the reasonable use of copyright works in various ways<sup>14</sup>. For instance, the fair dealing of copyright works for the purposes of education, research and private study<sup>15</sup>, criticism and review (regarding the subject copyright works or other works)<sup>16</sup>, and news reporting<sup>17</sup> are permissible with qualifying conditions. Parodies that are created for such purposes may fall within the ambit of the permitted acts in appropriate circumstances.

15. For parodies that fall outside the aforementioned exemptions and exceptions, they may attract civil liability for copyright infringement under the existing copyright law of Hong Kong. Furthermore, if a person distributes a copy of an infringing parody to the public in the course of any trade or business or to such an extent as to affect prejudicially the copyright owner, he

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<sup>12</sup> A Creative Commons (CC) licence is a set of standard terms licence devised by a private organisation called Creative Commons. CC licences are meant to facilitate copyright owners in licensing their works for use by others free of charge based on certain preset terms and conditions. The public may copy, distribute, display and perform a CC licensed work and/or any derivative works based on it, subject to any conditions the author has specified, such as acknowledging the author of the underlying work and for non-commercial purposes etc.

<sup>13</sup> According to section 17 of the Copyright Ordinance (Cap. 528), copyright in literary, dramatic, musical or artistic work expires at the end of the period of 50 years from the end of calendar year in which the author dies subject to certain exceptions.

<sup>14</sup> There are over 60 provisions on permitted acts under the existing Copyright Ordinance (Cap. 528) governing the reasonable use of copyright works under specific circumstances.

<sup>15</sup> Section 38 of the Copyright Ordinance (Cap. 528).

<sup>16</sup> Section 39(1) of the Copyright Ordinance (Cap. 528).

<sup>17</sup> Section 39(2) and (3) of the Copyright Ordinance (Cap. 528).

may be subject to criminal liability<sup>18</sup>. However, in reality, it appears unlikely that the distribution of a copy of an infringing parody will be considered as “*to the extent as to affect prejudicially the copyright owner*”. Parodies in general target different markets from those of the underlying works and do not displace the legitimate market of the underlying works<sup>19</sup>. We are also unaware of any criminal prosecution against parody in Hong Kong or in other common law jurisdictions that we have surveyed.

16. As a further safeguard, the court has jurisdiction to prevent or restrict the enforcement of copyright on the ground of public interest<sup>20</sup>.

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<sup>18</sup> See section 118(1) of Copyright Ordinance (Cap. 528) :

*“A person commits an offence if he, without the licence of the copyright owner of a copyright work -*

- (a) makes for sale or hire an infringing copy of the work;*
- (b) imports an infringing copy of the work into Hong Kong otherwise than for his private and domestic use;*
- (c) exports an infringing copy of the work from Hong Kong otherwise than for his private and domestic use;*
- (d) sells, lets for hire, or offers or exposes for sale or hire an infringing copy of the work for the purpose of or in the course of any trade or business;*
- (e) exhibits in public or distributes an infringing copy of the work for the purpose of or in the course of any trade or business which consists of dealing in infringing copies of copyright works;*
- (f) possesses an infringing copy of the work with a view to -*
  - (i) its being sold or let for hire by any person for the purpose of or in the course of any trade or business; or*
  - (ii) its being exhibited in public or distributed by any person for the purpose of or in the course of any trade or business which consists of dealing in infringing copies of copyright works; or*
- (g) distributes an infringing copy of the work (otherwise than for the purpose of or in the course of any trade or business which consists of dealing in infringing copies of copyright works) to such an extent as to affect prejudicially the copyright owner.”*

As mentioned in paragraph 1, the Copyright (Amendment) Bill 2011 sought to introduce a technology-neutral communication right. The proposed criminal sanction against unauthorised communication of a copyright work to the public in the Bill mirrors the existing offences under section 118(1) of Copyright Ordinance. The proposed section 118(8B) reads:

*“A person commits an offence if the person -*

- (a) without the licence of the copyright owner of a copyright work, communicates the work to the public for the purpose of or in the course of any trade or business that consists of communicating works to the public for profit or reward; or*
- (b) without the licence of the copyright owner of a copyright work, communicates the work to the public (otherwise than for the purpose of or in the course of any trade or business that consists of communicating works to the public for profit or reward) to such an extent as to affect prejudicially the copyright owner.”*

<sup>19</sup> In *HKSAR v Chan Nai Ming* [2005]4 HKLRD 142 (Reasons for Verdict of Tuen Mun Magistrates’ Court), the presiding magistrate considered that “prejudice” is not necessarily restricted to economic prejudice though economic prejudice would be the obvious area to which attention should be directed.

<sup>20</sup> Section 192(3) of the Copyright Ordinance (Cap. 528) provides that “*Nothing in this Part affects any rule of law preventing or restricting the enforcement of copyright, on grounds of public interest or otherwise.*” The English Court of Appeal in *Ashdown v Telegraph Group Ltd.* concluded that “*the circumstances in which public interest may override copyright are not capable of precise categorisation or definition.*” (paragraph 58 of the judgment).



## Situations in other jurisdictions

### *Australia*

17. In 2006 Australia introduced a fair dealing exception for parody and satire into its Copyright Act 1968<sup>21</sup>. However, no statutory definition for the terms “parody” and “satire” has been provided in the legislation. The concepts of “parody” and “satire” are therefore subject to interpretation by the court. According to the “Fact Sheet on Parody and Satire” issued by the Attorney-General’s Department of Australia in 2007, the two concepts “*are similar and can overlap*”. It notes that while “*parody often involves the imitation of the characteristic style of an author or a work for comic effect or ridicule*”, “*satire often involves attacking an idea or attitude, an institution or a social practice, through irony, derision, or wit*”.

18. To qualify for the copyright exception, a parody or satire must be “fair” to the copyright owner, but the law has not specified how “fairness” should be assessed. The Attorney-General’s Department suggests that it “*requires a court to make an objective assessment of how and why the material has been used*” and a number of relevant factors have to be considered, such as whether the material is published or unpublished; the nature of the material and the nature of the use; the possibility of obtaining permission from the rights holder and whether there has been any impropriety in obtaining the material<sup>22</sup>.

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<sup>21</sup> The new exceptions were introduced into Australia’s Copyright Act 1968 after a public consultation on “Fair Use and Other Copyright Exceptions”. The Australian government then decided not to adopt the US open-ended exceptions for fair use but introduced two fair dealing exceptions for parody and satire under the new sections 41A and 103AA of its Copyright Act 1968, which respectively provides that -“*A fair dealing with a literary, dramatic, musical or artistic work, or with an adaptation of a literary, dramatic or musical work, does not constitute an infringement of the copyright in the work if it is for the purpose of parody or satire.*” (s.41A) “*A fair dealing with an audio-visual item does not constitute an infringement of the copyright in the item or in any work or other audio-visual item included in the item if it is for the purpose of parody or satire.*” (s.103AA)

However, in a Discussion Paper entitled “Copyright and the Digital Economy” published in June 2013, the Australian Law Reform Commission proposes, among other things, that a broad, flexible exception for fair use similar to that of the US should be provided in Australia’s Copyright Act to replace some of its existing “fair dealing” exceptions, such as the fair dealing exception for parody or satire; and suggests introducing a list of non-exhaustive factors similar to that of the US for the court to determine “fairness”. A non-exhaustive list of illustrative uses or purposes that may qualify as fair use such as “research or study, criticism or review, parody or satire” is suggested to be included in the fair use provisions. The consultation will run until end July 2013. The Commission will deliver the final report to the Attorney-General of Australia by end November 2013.

<sup>22</sup> Although Australia’s fair dealing provision on parody does not set out the factors for determining “fairness”, the factors suggested by the Attorney-General’s Department are similar to the consideration applicable to our existing fair dealing provisions in the Copyright Ordinance (Cap. 528).

19. As there has not been any decided case on this statutory exception, the precise scope and the effect of the Australian fair dealing provision remain to be seen<sup>23</sup>.

### *New Zealand*

20. There is no copyright exception for parody or satire in New Zealand's copyright law. Similar to Hong Kong, New Zealand has fair dealing provisions for criticism, review and news reporting. In 2008, New Zealand's Ministry of Economic Development conducted an inquiry to determine the need for parody and satire exceptions in their copyright law. However, owing to the change of government, the review was halted.

### *The US*

21. Apart from providing for an open-ended fair use exception covering acts done for the purposes of criticism, comment, news reporting, teaching, scholarship or research, etc, there is no specific copyright exception for parody or satire in the US Copyright Act, nor is there any presumption of fair use in favour of parody or satire in the US jurisprudence. Whether a parody or satire constitutes fair use of a copyright work has to be determined on a case-by-case basis by balancing different factors<sup>24</sup>. According to the judicial reasoning of decided cases, the US court tends to consider "satire" as a separate category, and is less inclined to consider it a fair use<sup>25</sup>.

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<sup>23</sup> In its commentary on the Australian exception on parody and satire, the Australian Copyright Council suggests that the purpose of a true parody is to make some comment on the imitated work or on its creator while the purpose of a satire, on the other hand, is to draw attention to characteristics or actions – such as vice or folly – by using certain forms of expression – such as irony, sarcasm and ridicule. The Council further comments that making something funny is not enough to make it a parody or satire. Some form of commentary (which may be implied) on the underlying work or on characteristics or actions such as vice or folly is required. Changing words of songs or other material in an incongruous context is not necessarily parody or satire. It is required to consider whether a relevant kind of comment has been made. The Australian Copyright Council is an independent, non-profit making organisation representing the major bodies of professional artists and contents creators working in Australia's creative industries and Australia's major copyright collecting societies. It works to promote understanding of copyright law and its application, lobbies for appropriate law reform in respect of copyright and fosters collaboration between content creators and consumers.

<sup>24</sup> The US courts balance the following factors when considering the defence of fair use –

- (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
- (2) the nature of the copyrighted work;
- (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
- (4) the effect of the use upon the potential market for or value of the copyrighted work.

But there have been conflicting decisions in the US on parodies over similar facts, as in the cases of *Columbia Pictures Industries Inc v Miramax Films Corp* and *Leibovitz v Paramount Pictures Corporation*.

<sup>25</sup> See *Campbell v Acuff-Rose Music, Inc.* 510 U.S. 569 (1994).

## Canada

22. The Canadian Copyright Modernization Act, which came into effect in November 2012, has expanded its previous fair dealing exception for research and private study to cover fair dealing for parody or satire<sup>26</sup>. Similar to the Australian law, the Canadian Copyright Act does not define what a “parody” or “satire” is. We are also unaware of any official record providing any explanation about the intended scope of this new exception.

## The UK

23. Currently, the UK copyright law does not provide for any specific exception for parody<sup>27</sup>. In August 2011, with a view to taking forward the recommendations made in the Hargreaves Report<sup>28</sup>, the UK Government conducted a public consultation exercise on a number of copyright exceptions including that for parody, caricature and pastiche<sup>29</sup>. In December 2012, the UK Government released its response to the public consultation<sup>30</sup>.

24. The UK Government decided to introduce, among other things, a fair dealing exception to allow limited copying for parody, caricature and pastiche, while maintaining the current system of moral rights. The reasons quoted include economic, cultural and social benefits similar to those referred to in paragraph 9 above. The “fair dealing” requirement is proposed as an additional safeguard to minimise misuse of the exception.

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<sup>26</sup> The revised section 29 of the Copyright Act provides that: “Fair dealing for the purpose of research, private study, education, parody or satire does not infringe copyright.”

<sup>27</sup> In 2001 the EU issued Directive 2001/29 on the harmonisation of certain aspects of copyright and related rights in the information society. It allows Member States to provide for exceptions or limitations to the rights in the case of use for the purpose of caricature, parody or pastiche on an optional basis. Nevertheless, the exceptions and limitations provided for shall only be applied in certain special cases which do not conflict with a normal exploitation of the work or other subject-matter and do not unreasonably prejudice the legitimate interests of the rightholder. The current position of the UK does not take advantage of the Directive. On the other hand, a number of EU member states such as Belgium, France, the Netherlands and Spain do include a certain parody exception under their respective copyright laws in a civil law system. However, it should be noted that the copyright regime in many of the civil law European countries is rather different from that of Hong Kong, including for example, the presence of levy systems for private copying in those countries.

<sup>28</sup> Hargreaves, I. 2011. “Digital Opportunity: A Review of Intellectual Property and Growth”. London: Intellectual Property Office. Available at [www.ipso.gov.uk/ipreview](http://www.ipso.gov.uk/ipreview).

<sup>29</sup> The consultation document – “Proposals to change the UK’s copyright system” (December 2011), available at [www.ipso.gov.uk/consult-2011-copyright.pdf](http://www.ipso.gov.uk/consult-2011-copyright.pdf).

<sup>30</sup> “Modernising Copyright: a modern, robust and flexible framework” ([www.ipso.gov.uk/response-2011-copyright-final.pdf](http://www.ipso.gov.uk/response-2011-copyright-final.pdf)). As reported in the Government website: “The response sets out Government decisions on changes to the framework for ‘copyright exceptions’. These changes will introduce greater freedoms in copyright law to allow third parties to use copyright works for a variety of economically and/or socially valuable purposes without the need to seek permission from copyright owners. Protections for the interests of copyright owners and creators are built in to the revised framework.”

## Observations

25. There is obviously no unified approach in dealing with the issue of parody, but a few observations may be pertinent -

- (a) The US adopts a general fair use doctrine. While parody may be considered as a fair use under appropriate circumstances, the US court tends to consider “satire” as a separate category, and is less inclined to consider it a fair use.
- (b) Among other common law jurisdictions, Australia and Canada have provided a copyright exception for parody and satire, which is crafted within the ambit of “fair dealing” with no statutory definition of those terms. The precise scope of the exception and the issue of “fairness” are to be determined by the court. But to our knowledge there is no decided case on the application of these statutory exceptions. It appears that the UK is following a similar approach in taking forward a fair dealing exception for parody, caricature and pastiche.
- (c) In introducing a copyright exception for parody and satire, neither Australia nor Canada had found it necessary to change the moral rights provisions under their pre-existing laws<sup>31</sup>. In the UK’s latest proposal for a copyright exception for parody, it has indicated that the current system of moral rights will be maintained<sup>32</sup>.

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<sup>31</sup> But it should be reckoned that in the respective regimes of Australia and Canada, the exercise of moral rights is subject to the consideration of reasonableness. For example, sections 195AR and 195AS of Australia’s Copyright Act 1968 respectively provides that “no infringement of the right of attribution of authorship if it was reasonable not to identify the author” and “no infringement of right of integrity of authorship if derogatory treatment or other action was reasonable”. Section 14.1 of Canada’s Copyright Act provides that the author’s right to the integrity of a work and the right to be associated with the work as its author by name or under a pseudonym and the right to remain anonymous only arises “where reasonable in the circumstances”.

In contrast, in the absence of similar general provisions for reasonableness, the Hong Kong regime (footnote 11 above) subjects the moral rights to certain specific exceptions and qualifications as provided for in sections 91, 93 and 94 of the Copyright Ordinance (Cap. 528). For example, the right to be identified as author or director (section 89) is not infringed by an act covered by the fair dealing exception regarding criticism, review and news reporting (section 39) so far as it relates to the reporting of current events by means of a sound recording, film, broadcast or cable programme.

<sup>32</sup> The draft provision of the UK’s proposed copyright exception for caricature, parody and pastiche is as follows -

**“30B Caricature, parody or pastiche**

- (1) Copyright in a copyright work is not infringed by any fair dealing with the work for the purposes of caricature, parody or pastiche.
- (2) To the extent that the term of a contract purports to restrict or prevent the doing of any act which would otherwise be permitted under this section, that term is unenforceable.”

## Guiding principles

26. In considering the arguments (paragraphs 9 and 10 above) and possible options for addressing the issue, we should be guided by the following broad principles –

- (a) a fair balance between protecting the legitimate interests of copyright owners and other public interests, such as reasonable use of copyright works and freedom of expression, should be maintained;
- (b) any criminal exemption or copyright exception to be introduced must be fully compliant with our international obligations such as Article 61 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) of the World Trade Organization (WTO)<sup>33</sup> and the “three-step test” requirement under Article 13 of TRIPS Agreement<sup>34</sup> respectively; and
- (c) any proposed amendment to the Copyright Ordinance must be sufficiently clear and certain so as to afford a reasonable degree of legal certainty.

## Questions

27. We would like to invite views on the following questions -

- (a) whether the application of criminal sanction of copyright infringement should be clarified under the existing copyright regime in view of the current use of parody;
- (b) whether a new criminal exemption or copyright exception for parody or other similar purposes should be introduced into the Copyright Ordinance ;

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<sup>33</sup> Article 61 of the TRIPS Agreement provides that “Members shall provide for criminal procedures and penalties to be applied at least in cases of wilful trademark counterfeiting or copyright piracy on a commercial scale. Remedies available shall include imprisonment and/or monetary fines sufficient to provide a deterrent, consistently with the level of penalties applied for crimes of a corresponding gravity. In appropriate cases, remedies available shall also include the seizure, forfeiture and destruction of the infringing goods and of any materials and implements the predominant use of which has been in the commission of the offence. Members may provide for criminal procedures and penalties to be applied in other cases of infringement of intellectual property rights, in particular where they are committed wilfully and on a commercial scale.”

<sup>34</sup> Article 13 of the TRIPS Agreement provides that “Members shall confine limitations or exceptions to exclusive rights to certain special cases which do not conflict with a normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the rights holder.” To comply with the “three-step test”, the Administration must ensure that the exception (a) is confined to “special cases”, (b) does not conflict with a normal exploitation of the work, and (c) does not unreasonably prejudice the legitimate interests of the copyright owner.

- (c) if a new criminal exemption or copyright exception for parody is to be introduced, what should be the scope of and the appropriate qualifying conditions or limitations for such a criminal exemption or copyright exception; and
- (d) whether moral rights for authors and directors should be maintained notwithstanding any special treatment of parody in the copyright regime.

## Options for Change

### *Option 1 – Clarifying the existing general provisions for criminal sanction*

28. As discussed in paragraphs 11 to 16 above, there is reasonable room for the creation and dissemination of parodies under Hong Kong’s current copyright regime. We may maintain the status quo so that the existing balance of interests between copyright owners and users is not altered.

29. Nevertheless, there may be a case for clarifying the provisions for criminal sanction under the Copyright Ordinance (regarding both the existing “prejudicial distribution” offence and the proposed “prejudicial communication” offence<sup>35</sup>) to better reflect the policy intent to combat commercial-scale copyright infringement. The purpose of the amendment will be to demonstrate that parodies commonly disseminated nowadays which do not displace the legitimate market of the underlying works would likely fall outside the criminal net. As supported by the LegCo Bills Committee in 2012, we may underline in the legislation the consideration of whether the infringing acts have caused “more than trivial” economic prejudice to the copyright owners and introduce relevant factors as guidance to the court in determining the magnitude of economic prejudice. Details of this proposal, and the legislative language agreed before, can be found at **Annex A**.

Annex A

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<sup>35</sup> Please refer to footnote 18 for section 118(1)(g) of the Copyright Ordinance (Cap. 528) and the proposed new s.118(8B) under the Bill.

## *Option 2 – Introducing a specific criminal exemption for parody*

30. Alternatively, we may consider introducing a criminal exemption to specifically exclude parody from the existing “prejudicial distribution” and the proposed “prejudicial communication” offences<sup>36</sup>, subject to compliance with our international obligations under the TRIPS Agreement to provide for criminal procedures and penalties at least in cases of wilful trademark counterfeiting or copyright piracy on a commercial scale.<sup>37</sup> This proposal has the benefit of clarifying that dissemination of parody, so long as it meets the qualifying conditions specified in the relevant provisions, will not attract any criminal liability under those provisions. Moreover, the proposal will not deprive copyright owners of their existing rights to pursue civil claims (if there is indeed a case) against creators and/or distributors of infringing parodies. In other words, the existing balance of rights between copyright owners and users will essentially be maintained.

31. If this option is to be pursued, we have to consider some principal issues as follows in relation to the scope and application of the exemption -

- (a) What subject matter should be covered by the exemption? Should it cover infringing copy or communication for the purpose of “parody”, “satire”, “caricature” or “pastiche”, or a certain combination of such terms? Or should the exemption instead cover a more specific formulation such as “commentary on current events, social, economic or political issues”? It is of paramount importance that the subject matters must be crafted clear enough to provide legal certainty.
- (b) Should a statutory definition of “parody”, “satire” or other relevant terms be provided or would the ordinary dictionary meanings of these terms be sufficient?
- (c) What should be the qualifying conditions for the exemption? Should reference be made to elements like economic prejudice?

Details of this proposal, and the possible legislative language for consultation purposes, can be found at **Annex B**.

### Annex B

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<sup>36</sup> Please refer to footnote 18 for section 118(1)(g) of the Copyright Ordinance (Cap. 528) and the proposed new s.118(8B) under the Bill.

<sup>37</sup> See footnote 33 above.

### *Option 3 – Introducing a fair dealing exception for parody*

32. We may also consider introducing a fair dealing exception for parody based on the experience or approach in Australia, Canada and the UK. Under this option, distribution and communication of parody will not attract any civil nor criminal liability for copyright infringement if the qualifying conditions of the exception are met.

33. The proposal of limiting the exception on a fair dealing basis aims at curbing abuse and minimising any possible adverse impact on the copyright owners, following the jurisprudence in our copyright regime in other areas of exceptions. We may also consider providing a list of non-exhaustive factors for determining fairness as currently set out in sections 38 and 41A of the Copyright Ordinance<sup>38</sup>. Whether a particular dealing is fair would be considered by reference to the overall circumstances of individual cases, and may eventually be determined by the court.

34. There are concerns that this option would limit copyright owners' control over their works and their rights to pursue civil proceedings against parodists for copyright infringement. As such, we must be very cautious in devising the scope of the exception to ensure that it will strike a fair balance between competing interests and comply with the "three-step test" set out in the TRIPS Agreement.

35. Separately, the issue of moral rights (paragraph 10(d) above) which concern civil liabilities may be relevant. There are arguments that a parody would fail in its inherent purpose if the underlying work has to be identified and thus the right of attribution should not necessarily apply to parody. It is for consideration whether the current exceptions to the right of attribution in appropriate circumstances as set out in the existing Copyright Ordinance<sup>39</sup> should be expanded to cover the new fair dealing exception for parody as may be warranted<sup>40</sup>.

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<sup>38</sup> The relevant factors for determining whether the dealing of a copyright works is fair include -  
(a) the purpose and nature of the dealing, including whether the dealing is for a non-profit-making purpose and whether the dealing is of a commercial nature;  
(b) the nature of the work;  
(c) the amount and substantiality of the portion dealt with in relation to the work as a whole; and  
(d) the effect of the dealing on the potential market for or value of the work.

<sup>39</sup> See footnote 31 above.

<sup>40</sup> On the other hand, the genre of parody does not appear to carry anything intrinsic that should justify an erosion of the right to object to derogatory treatment which is already crafted in a very measured manner to protect the honour and reputation of authors and directors (sections 92 and 93 of the Copyright Ordinance (Cap. 528)), nor the right of protection from false attribution of work (section 96 of the Copyright Ordinance (Cap. 528)).



Annex C

36. To pursue this option, we need to address a number of specific issues. **Annex C** set out the details and some possible legislative language for consultation purposes.

**Views Sought**

37. The Government is open to how the subject matters raised in this consultation document should be addressed. You are invited to provide your views on the various issues set out in this consultation document on or before 15 October 2013 through the post, facsimile or email -

Mail : Division 3  
Commerce, Industry and Tourism Branch  
Commerce and Economic Development Bureau  
23rd Floor, West Wing  
Central Government Offices  
2 Tim Mei Avenue  
Tamar, Hong Kong

Fax : 2147 3065

Email : co\_consultation@cedb.gov.hk

38. An electronic copy of this document is available at the following websites -

<http://www.cedb.gov.hk/citb>  
<http://www.ipd.gov.hk>

Annex D

39. A statement of personal data collection is available at **Annex D**.

Option 1 – Clarifying the existing provisions on the criminal offences for “prejudicial distribution/communication”

- Currently, the distribution of an infringing copy of a copyright work for the purpose of or in the course of any trade or business which consists of dealing in (e.g. selling) infringing copies of copyright works may constitute an offence under section 118(1)(e) of the Copyright Ordinance. In other cases, distribution of an infringing copy may constitute an offence under section 118(1)(g) if the distribution is made to such an extent as to affect prejudicially the copyright owner. Section 118 (1)(g) reads -

*“A person commits an offence if he, without the licence of the copyright owner of a copyright work -*

*.....*

*(g) distributes an infringing copy of the work (otherwise than for the purpose of or in the course of any trade or business which consists of dealing in infringing copies of copyright works) to such an extent as to affect prejudicially the copyright owner.”*

- As previously agreed by the LegCo Bills Committee in the scrutiny process, a new section 118(2AA) along the following line may be added after section 118(2) of the Copyright Ordinance -

*“(2AA) For the purposes of subsection (1)(g), in determining whether any distribution of an infringing copy of the work is made to such an extent as to affect prejudicially the copyright owner, the court may take into account all the circumstances of the case and, in particular, whether more than trivial economic prejudice is caused to the copyright owner as a consequence of the distribution having regard to, amongst others -*

- (a) the nature of the work, including its commercial value (if any);*
- (b) the mode and scale of distribution; and*
- (c) whether the infringing copy so distributed amounts to a substitution for the work.”.*

- A similar provision may be provided in relation of the offence related to the communication right (proposed 118(8B) and (8C) of the Bill) , as follows -

*“(8B) A person commits an offence if the person -*

- (a) without the licence of the copyright owner of a copyright work, communicates the work to the public for the purpose of or in the course of any trade or business that consists of communicating works to the public for profit or reward; or*
- (b) without the licence of the copyright owner of a copyright work, communicates the work to the public (otherwise than for the purpose of or in the course of any trade or business that consists of communicating works to the public for profit or reward) to such an extent as to affect prejudicially the copyright owner.”*

*“(8C) For the purposes of subsection (8B)(b), in determining whether any communication of the work to the public is made to such an extent as to affect prejudicially the copyright owner, the court may take into account all the circumstances of the case and, in particular, whether more than trivial economic prejudice is caused to the copyright owner as a consequence of the communication having regard to, amongst others -*

- (a) the nature of the work, including its commercial value (if any);*
- (b) the mode and scale of communication; and*
- (c) whether the communication amounts to a substitution for the work.”*

Option 2 – Introducing a criminal exemption for parody

- Section 118 (1)(g) of the Copyright Ordinance reads -

*“A person commits an offence if he, without the licence of the copyright owner of a copyright work -*

*.....*

*(g) distributes an infringing copy of the work (otherwise than for the purpose of or in the course of any trade or business which consists of dealing in infringing copies of copyright works) to such an extent as to affect prejudicially the copyright owner.”*

- A new section along the following line may be added after section 118(2) of the Copyright Ordinance -

*“Subsection (1)(g) does not apply to any distribution of an infringing copy of a work for the purpose of **[parody]**<sup>41</sup> if the distribution does not cause more than trivial economic prejudice to the copyright owner.”.*

- A similar exemption may be provided for the offence related to the communication right, as follows -

*“Subsection (X) does not apply to any communication of the work to the public for the purpose of **[parody]**<sup>42</sup> if the communication does not cause more than trivial economic prejudice to the copyright owner.”.*

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<sup>41</sup> Or a certain combination of these terms: parody, satire, caricature and pastiche.

<sup>42</sup> Or a certain combination of these terms: parody, satire, caricature and pastiche.

### Option 3 – Fair dealing exception

- To pursue this option, we have to consider, among other things, the following issues -
  - (a) What subject matters should be covered by the exception? The corresponding fair dealing exceptions in Australia and Canada are confined to “parody or satire” but the UK refers the subject matters as “parody, caricature or pastiche” without mentioning “satire”. While there does not appear to be any difference in the treatment of “parody” and “satire” under the relevant fair dealing provision in Australia and Canada, the US jurisprudence suggests that “parody” is more likely than “satire” to be covered by its fair use exception.
  - (b) Should a statutory definition of “parody”, “satire” or other relevant terms be provided or would the ordinary dictionary meanings of these terms be sufficient?
  - (c) Alternatively, in view of the possible varied scope of “parody” and like terms, should the exception be crafted to cover a more specific formulation such as “commentary on/criticism/review of current events”? A drawback is that we are not aware of any common law jurisdiction that has adopted a similar formulation in providing for a fair dealing exception and hence there will not be any relevant case law for reference.
  - (d) Should the proposed exception be subject to the requirement of making sufficient acknowledgement as in the current fair dealing exceptions for criticism or review<sup>43</sup>? If the requirement of making sufficient acknowledgement for parody is not necessary, should a corresponding exception to the relevant moral right be added in respect of the parody exception, in particular, the right to be identified as author or director of a work<sup>44</sup>?

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<sup>43</sup> See section 39 of the Copyright Ordinance (Cap. 528). There has been suggestion that generally speaking, the underlying work or author of a successful parody are easily identifiable by the audience and the requirement of making sufficient acknowledgement in this context may not be necessary as it will defy the humorous or critical quality of a parody or satire.

<sup>44</sup> See footnote 31 above.

- (e) Should all classes and types of copyright works be covered by the exception? Is there any reason for excluding any particular classes or types of works from the exception? For instance, should we exclude unpublished works from the exception or should we leave it as one of the factors for determining whether the dealing is fair?
- (f) Should a list of factors for determining fairness (similar to that as provided in the existing permitted acts under sections 38 and 41A) be stipulated?
- Existing Section 39 of the Copyright Ordinance reads -
  - “(1) *Fair dealing with a work for the purpose of criticism or review, of that or another work or of a performance of a work, if it is accompanied by a sufficient acknowledgement, does not infringe any copyright in the work or, in the case of a published edition, in the typographical arrangement.*
  - (2) *Fair dealing with a work for the purpose of reporting current events, if (subject to subsection (3)) it is accompanied by a sufficient acknowledgement, does not infringe any copyright in the work.*
  - (3) *No acknowledgement is required in connection with the reporting of current events by means of a sound recording, film, broadcast or cable programme.”*
- We may amend the existing fair dealing provisions in section 39(1) by adding a new provision along the following line -
  - “(1A) *Fair dealing with a work for the purpose of commenting current events does not infringe any copyright in the work.”*
- Alternatively, like the approach in the Copyright Act 1968 of Australia, a specific, free-standing fair dealing exception for parody along the following line may be added after section 39 of the Copyright Ordinance -

**“39A. [Parody]**

*Fair dealing with a work for the purposes of [parody]<sup>45</sup> does not infringe any copyright in the work.”*

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<sup>45</sup> Or a certain combination of these terms: parody, satire, caricature and pastiche.

- Either provision will exempt a user from both civil and criminal liabilities for copyright infringement if the use falls under the proposed exception.
- Regarding the moral right of attribution, section 91(4) provides that the right to be identified as author or director is not infringed by an act which by virtue of a number of specific provisions set out would not infringe copyright in the work. We may make consequential amendments to section 91(4) by adding the following provision to the existing ones to cover the new parody exception if necessary–

“(g)     *section [39A or 39(1A)] (fair dealing for parody).*”

## **Personal Data Collection**

It is voluntary for members of the public to supply their personal data when providing views on this consultation document. Any personal data provided with a submission will only be used for the purpose of this public consultation exercise. The submissions and personal data collected may be passed to relevant Government bureaux and departments for purposes directly related to this consultation exercise.

2. We may publish the submissions made in response to this consultation note for public viewing after the conclusion of the public consultation exercise. If you do not wish your name or your affiliation (or both) to be disclosed, please state so when making your submission.

3. Any sender providing personal data to us in the submission will have the rights of access and correction with respect to such personal data. Any requests for data access or correction of personal data should be made in writing to -

Address : Division 3  
Commerce, Industry and Tourism Branch  
Commerce and Economic Development Bureau  
23rd Floor, West Wing  
Central Government Offices  
2 Tim Mei Avenue  
Tamar, Hong Kong

Fax number : 2147 3065

Email address : [co\\_consultation@cedb.gov.hk](mailto:co_consultation@cedb.gov.hk)



**Latest FAQs about the Public Consultation on Parody  
and Copyright Law**

**(I) Will parodists' freedom of expression be restricted?**

Currently, copyright owners and parodists are at peace with each other. Some parodists even have the acquiescence of copyright owners to create parodies. As such, why should there be a consultation? Will the proposals put forward by the Government restrict freedom of expression?

At present, the distribution of a parody under any of the following circumstances does not constitute copyright infringement –

- (a) the copyright owner has agreed or acquiesced
- (b) the copyright protection in the underlying work has expired
- (c) only the ideas of the underlying work have been incorporated
- (d) only an insubstantial part of the underlying work has been reproduced
- (e) one of the permitted acts under the existing Copyright Ordinance (such as for the purposes of research, private study, education, criticism, review and news reporting) applies<sup>1</sup>

The proposals put forward by the Government will not change the above legal positions and will not restrict freedom of expression.

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<sup>1</sup> According to the existing provisions in the Copyright Ordinance, a person who without the licence of the copyright owner:-

- (a) sells or lets for hire an infringing copy of a work [see Note 1];
- (b) distributes for the purpose of or in the course of any trade or business an infringing copy of a work (hereinafter referred to as “commercial distribution”) [see Note 2]; or
- (c) distributes (otherwise than for “commercial distribution” as mentioned in (b) above) an infringing copy of a work to such an extent as to affect prejudicially the owner of the copyright

(hereinafter referred to as “prejudicial distribution”), may be subject to civil or criminal liability (no matter whether it is a parody or not).

Note 1 – There may be criminal liability if the selling or letting for hire is for the purpose of or in the course of any trade or business.

Note 2 – There may be criminal liability if the distribution is for the purpose of or in the course of any trade or business which consists of dealing in infringing copies of copyright works.

On the contrary, in respect of acts that are done without the agreement or acquiescence of the copyright owner, the three proposals have the effect of clarifying or raising the threshold for alleging copyright infringement, thus further protecting freedom of expression. Regarding some parodies that are suspected of having infringed copyright, the three proposals provide different legal justifications, in appropriate circumstances, to clarify that they fall outside the criminal net, or exempt them from criminal, and even civil, liabilities. Parodists will enjoy clearer and greater protection under the law.

**(II) Why is the Government consulting the public on “parody” but not on “secondary creation”?**

“Parody” is used by the Government as a collective term to refer to a wide scope of works such as “parody”, “satire”, “caricature” or “pastiche” which include an element of imitation or incorporate certain elements of an underlying copyright work for the purposes of creating comic or critical effects. The coverage is very broad.

“Secondary creation” is not a term commonly used in copyright jurisprudence and it is difficult to ascertain its actual coverage. For instance, there are views suggesting that “secondary creation” should include translations and adaptations, or should be treated as “derivative works”. However, the concepts of translation and adaptation, both being derivative works, are clear under international copyright treaties and copyright laws in different jurisdictions. In particular, the owner of the copyright in a work has the exclusive right to make a translation or an adaptation of the same. Although there may be original elements in the later work itself, it may not be appropriate to take this as the sole basis in considering any copyright exception.

The provision of a copyright exception solely based on the rather ambiguous concept of “secondary creation” may blur the line between infringing and non-infringing works, create uncertainty and increase opportunities for abuse.

**(III) Will the Government prosecute the copyright offence without involving the copyright owner?**

In cases where the copyright owner does not object or seek legal recourse, will the Government insist on prosecuting the copyright offence without involving the copyright owner?

Absolutely not. According to the criminal provisions in the Copyright Ordinance, the most fundamental element of copyright offences is that the relevant acts have been conducted without the consent of the copyright owner and thereby constitute copyright infringement. If the copyright owner does not object or pursue the matter any further, there is no basis for the enforcement agency to follow up any criminal investigation, not to mention laying a prosecution.

In practice, if the enforcement agency comes across an act which is alleged or reasonably suspected to be constituting a copyright offence, it must take the necessary step to promptly locate and contact the copyright owner to see if he has any objection or wishes to pursue the matter further. It is only when the copyright owner wishes to pursue the matter further that the enforcement agency has reasons to consider further steps. Even if the copyright owner wishes to pursue the matter further, he must prove to the enforcement agency in investigations (a) the subsistence and legitimate ownership of copyright in the underlying work; and (b) that the work in question has indeed infringed such copyright. The enforcement agency will only refer the case to the Department of Justice for consideration of whether to prosecute if such key evidence and all other necessary evidence are available.

If during the process, the copyright owner fails to provide sufficient evidence, or changes his stance and considers that there is no copyright infringement (e.g. the parties reach a settlement in the litigation), the enforcement agency will not be able to continue its investigation or prosecution.

**(IV) Will the mere act of sharing a link with parodic content constitute copyright infringement?**

The Government has been frequently asked whether it is unlawful to upload/post/share (on a social networking website or a discussion forum) a link that leads to parodic content on the Internet. If the “link” in question merely provides those who click on it a means to access materials on another

website, and the person who shares the link does not distribute an infringing copy of the copyright work (e.g. by uploading an infringing song to a website for others to download), the mere act of sharing a link will not constitute copyright infringement. The legislative proposals introduced by the Government last year contain provisions that clearly specify the same.

**(V) Does Hong Kong need to comply with international obligations?**

What international obligations the Government needs to comply with? Can the Government exempt parody from civil and criminal liabilities without specifying any qualifying conditions? The provision of any copyright exception/exemption must be in full compliance with our international obligations. Article 61 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) of the World Trade Organization provides that members shall provide for criminal procedures and penalties to be applied at least in cases of wilful copyright piracy on a commercial scale. In accordance with Article 13 of the TRIPS Agreement, the Government must ensure that a copyright exception shall comply with the “three-step test”:

- (a) the exception is confined to “special cases”;
- (b) the exception does not conflict with a normal exploitation of the work; and
- (c) the exception does not unreasonably prejudice the legitimate interests of the copyright owner.

If we provide for copyright exception/exemption for parody without specifying qualifying conditions, we would not be able to meet the requirements of international copyright treaties and to achieve our policy objective to balance copyright protection and freedom of expression.