

LCQ10: Encourage the use of genuine software in business

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Following is a written reply by the Secretary for Commerce and Economic Development, Mr Frederick Ma, to a question by the Hon Wong Ting-kwong in the Legislative Council today (December 12):

Question:

Regarding the problem of the use of pirated computer software, will the Government inform this Council:

(a) of the number of cases handled by the Customs and Excise Department each year from 2005 to November this year involving the use of pirated software by private companies, the total value of seizures and the number of persons arrested in such cases; and whether there is an upward trend in the use of pirated software by private companies; if so, of the reasons for that;

(b) given that it has been reported that, as revealed by a survey conducted by the Hong Kong Productivity Council and the Business Software Alliance in August this year, only 20% of the 400 small and medium enterprises (SMEs) surveyed indicated that they had carried out software asset management and used genuine software, of the plans or methods the authorities will adopt to encourage more SMEs to use genuine software;

(c) of the total up-to-date number of SMEs which have participated in the "Genuine Business Software Campaign" launched by the relevant authorities to provide SMEs with free advisory services on the use of genuine software; and

(d) given that some provisions of the Copyright (Amendment) Ordinance 2007 will be in operation later, whether the authorities, in producing advertisements to publicise the contents of such provisions, will stress that according to the Ordinance's requirement, directors or partners responsible for their companies' internal management are criminally liable for the use of pirated software by the companies concerned, so as to enhance the awareness of the use of genuine software among SMEs?

Reply:

Madam President,

The Administration has all along adopted a multi-pronged approach in promoting respect for intellectual property rights in the community, by way of legislation, law enforcement and public education. Such efforts

include active cooperation with the trade in encouraging the use of genuine software in business.

Our replies to parts (a) - (d) of the question are as follows:

(a) For cases involving the use of pirated software by companies, the relevant enforcement figures are tabulated below:

Year	No. of cases that C&ED acted upon	No. of persons arrested	Total value of seizures (HK\$)
2005	11	21	1,380,000
2006	24	60	1,530,000
2007(Jan-Nov)	2	6	180,000

The above figures do not indicate an upward trend in recent years.

(b) The Administration, in collaboration with the Business Software Alliance and various trade associations, launched the "Genuine Business Software Campaign" last year to promote the use of genuine software in business. Through the provision of free advisory and support services under the programme, we disseminated messages about the benefits that proper management of software assets offered. These include enhancing computer system and network security, preventing the inadvertent use of pirated software, and facilitating the selection of suitable software licences thereby reducing cost and improving productivity.

Separately, the Business Software Alliance commissioned the Hong Kong Productivity Council to conduct a survey in August this year, for the purpose of finding out how receptive were local enterprises to Software Asset Management (SAM) as a tool; and the extent to which SAM was being practised. The survey did not raise questions as to whether the respondents had used genuine software. The result of the survey shows that about 40% of the respondents had implemented some form of SAM whereas about 20% had implemented software audit. This does not mean that all those enterprises which had not implemented SAM or software audit were not using genuine software. Nevertheless, the Administration will continue to promote SAM and the use of genuine software among enterprises.

(c) Since we started the "Genuine Business Software Campaign" last year, two phases had been rolled out. The first phase was a pilot entitled the "Business Software Certification Programme". We disseminated messages about the benefits of proper management of software assets among about 30 000 organisations through various channels including leaflets, e-newsletters and telemarketing. Furthermore, our contractor had

provided on-site computer software audit and related advisory services to 160 organisations. The feedback from these participating organisations suggests that the programme was of practical value to them.

We launched the second phase of the "Genuine Business Software Campaign" in October this year, with a view to increasing the number of organisations that may benefit from it. The emphasis is on helping organisations (in particular small and medium enterprises) to build up SAM capability through the provision of professional advisory and training services, thus enabling them to implement SAM in-house on a long-term basis. As at the end of November, we have offered this free programme to over 20 000 organisations through various channels, including telemarketing, emails and leaflets. So far, about 50 organisations have applied for the relevant training services. The programme will run till April 2008. Meanwhile, we will continue with our outreaching efforts in addition to following up outstanding cases, with a view to encouraging more organisations to join the programme.

(d) To prevent the use of pirated copies in business and in the interest of promoting corporate accountability and responsible governance, the Copyright (Amendment) Ordinance 2007 imposes certain responsibilities on directors and partners who are responsible for the internal management of their organisations. We are publicising the new criminal provisions against company directors and partners through multiple channels, including announcements of public interest on television and radio, advertisements at MTR stations and in the newspapers, seminars, publicity leaflets, websites and e-newsletters.

In the next few months, in addition to publicising the new legal provisions, the Administration will publish a guidance note with useful reference materials for directors and senior managers, in particular those of the small and medium enterprises. The reference materials will include some suggested good practices that would help businesses manage their copyright asset and guard against business end-user piracy. This should help facilitate the business sector in getting prepared before the relevant provisions come into effect, including the avoidance of inadvertent breaches of the law.

Ends/Wednesday, December 12, 2007