

# Copyright Protection in the Digital Environment

---

## CONTENTS

		Page
Foreword		i
Executive Summary		ii
Chapter 1	Legal Liability for Unauthorised Uploading and Downloading of Copyright Works	1
Chapter 2	Protection of Copyright Works Transmitted to the Public via all Forms of Communication Technology	7
Chapter 3	Role of Online Service Providers in Relation to Combating Internet Piracy	10
Chapter 4	Facilitating Copyright Owners to Take Civil Actions against Online Infringement	19
Chapter 5	Statutory Damages for Copyright Infringement	26
Chapter 6	Copyright Exemption for Temporary Reproduction of Copyright Works	31
Chapter 7	We Seek Your Views	36
Appendix I	What is Peer-to-Peer (P2P) transmission?	39
Appendix II	Legal Liability in Other Jurisdictions for Unauthorised Uploading/Downloading on the Internet	40
Appendix III	Conditions to be Met to Qualify for the Limitation of Liability under the Digital Millennium Copyright Act of the US	46
Appendix IV	The Amount of Statutory Damages in Other Jurisdictions	49

## Foreword

The Government is committed to providing a robust copyright protection regime. This provides an environment conducive to the sustainable development of our creative industries.

We keep our copyright law under constant review with a view to ensuring that it remains effective and appropriate in present-day circumstances. In this regard, we introduced the Copyright (Amendment) Bill 2006 into the Legislative Council in March 2006. The main objective of the Bill is to strengthen copyright protection, whilst affirming users' need for fair and reasonable use of copyright works. We hope to secure the passage of the Bill within the 2006-07 legislative year.

Our copyright law accords protection to copyright works in the digital environment. The Customs and Excise Department has been taking vigorous enforcement actions to combat the Internet piracy problem. This includes the world's first ever enforcement action leading to conviction of a person who distributed infringing copies of movies using the Bit-Torrent (BT) program.

In the light of advances in technology and the development of broadband infrastructure, we are now launching the next phase of our review of the copyright law to meet the challenges facing us in this digital era.

In conducting the review, we are mindful of the need to avoid over-regulation that may stifle the development of the Internet service sector. We also have to take into account possible concerns in the community about the impact that stronger copyright protection in the digital environment may have on the free dissemination of information and protection of personal privacy.

We need to strike a reasonable balance between the above diverging interests. This consultation document sets out the main issues relating to whether and if so how our copyright protection regime should be enhanced to provide for effective protection in the digital environment.

We welcome views and shall consider them carefully before formulating the Government's proposals.



Joseph W P Wong  
Secretary for Commerce, Industry and Technology

## **Executive Summary**

### **Existing framework for copyright protection in the digital environment**

Our copyright law accords protection to copyright works stored in digital format and on the Internet. In fact, Hong Kong was amongst the first territories in the world to clarify in local legislation the rights of copyright owners in relation to their works made available online.

The existing Copyright Ordinance (Cap. 528) contains provisions dealing with unauthorised uploading and downloading of copyright works over the Internet. Civil remedies and, in some circumstances, criminal sanctions are provided against such unlawful activities.

Our legislative measures are backed by vigorous enforcement action. The Customs and Excise Department monitors the Internet round-the-clock and takes prompt action against suspected piracy activities. We also have an on-going public education programme to promote awareness of and respect for intellectual property rights (IPR) in the community.

### **Why do we need a review now?**

We are committed to maintaining an effective legal framework to protect IPR in Hong Kong. We have undertaken a major exercise in the last two years to review our Copyright Ordinance and an amendment Bill is being scrutinised by the Legislative Council. This Bill, amongst other things, seeks to strengthen protection for copyright owners on various fronts, including measures against business end-user piracy activities, and circumvention of technological measures for copyright protection.

Advances in technology in recent years are such that we see a need to put in motion early a review of the efficacy of our copyright protection regime in the digital environment.

One of the main objectives of our review is to consider whether and if so how protection for copyright should be further strengthened to facilitate the sustainable development of our creative industries in the digital era.

In pursuing this objective, we are mindful of the need to balance competing interests including possible concerns about the adverse implications that enhanced IPR protection may have on the dissemination of information, protection of personal privacy in relation to individuals' activities on the Internet, and the development of Hong Kong as an Internet service hub.

## **Issues for consultation**

### ***Legal Liability for Unauthorised Uploading and Downloading of Copyright Works***

Technological advances in recent years have enabled users to transmit and obtain data files over the Internet in more and more efficient ways (e.g. peer-to-peer (P2P) technology). When copyright works are transmitted, without the authorisation of copyright owners, via these new technologies almost instantaneously across an environment virtually without borders, large-scale infringement is likely to emerge before long. More and more copyright owners are demanding heavier sanctions against unauthorised file sharing of copyright works using P2P technology. It is for consideration whether unauthorised downloading should be subject to criminal liability. If we are to introduce new criminal liability, there could be different extent of criminalisation (Chapter 1).

### ***Protection of Copyright Works Transmitted to the Public via all Forms of Communication Technology***

Thanks to advances in technology including the convergence of different digital media, users may now access digitised materials seamlessly across different media platforms (e.g. television signals can be streamed over the Internet and transmitted to mobile digital devices). It is for consideration whether an all embracing right of communicating copyright works to the public should be introduced into the copyright law of Hong Kong, so as to ensure that copyright works are adequately protected irrespective of what technology may be used to transmit the works now or in the future (Chapter 2).

## ***Role of Online Service Providers in Relation to Combating Internet Piracy***

The cooperation of online service providers (OSPs) is essential for the implementation of expedient and efficient measures to combat online piracy. In some circumstances, OSPs may merely be innocent third parties playing a passive role when infringing activities occur on their service platform. It is for consideration whether a new form of liability for OSPs should be introduced, and if so, whether there should be limitation to such liability under specified circumstances, including the introduction of a system to enable efficient takedown of infringing materials on the Internet, or blocking of access to such materials. Apart from the legislative route, it is also for consideration whether any non-legislative measures (e.g. industry guidelines or codes of practice binding on all OSPs) could be put in place to help combat online piracy activities (Chapter 3).

## ***Facilitating Copyright Owners to Take Civil Actions against Online Infringement***

Some copyright owners claim that it is disproportionately expensive and difficult to gather personal particulars of alleged infringers when they seek to take civil action against infringements occurring in the digital environment. It is for consideration whether a relatively quicker and inexpensive procedure should be provided for copyright owners to assist them to identify online infringers; and whether Internet Access Service Providers (IASPs) should be required to keep records of their clients' online activities for a specified period. Apart from the legislative route, it is also for consideration whether any industry guidelines or codes of practice in relation to record-keeping practices, binding on all IASPs, could be put in place (Chapter 4).

## ***Statutory Damages for Copyright Infringement***

It is also for consideration whether statutory damages should be introduced for copyright infringements to alleviate the burden on copyright owners in substantiating their loss in infringement proceedings (Chapter 5).

## *Copyright Exemption for Temporary Reproduction of Copyright Works*

The existing copyright exemption provision in the Copyright Ordinance relating to temporary reproduction of copyright works on the Internet may not cover all scenarios of temporary reproduction which occur quite commonly nowadays in the use and transmission of digitised copyright works. We have to examine whether and if so how the existing exemption in our copyright law should be expanded (Chapter 6).

### **Possible options**

For each of the above issues, we have outlined the situations in other jurisdictions (such as the UK, the US, Singapore and Australia). We may draw reference from the experience of different jurisdictions when formulating a solution unique to Hong Kong. This could create a model that best suits Hong Kong's needs. On the other hand, we may formulate our solution based on an existing overseas model. The advantage of the latter approach is that our courts could make reference to the case law of that particular jurisdiction when deciding cases before them. This would result in more certainty and predictability in our law.

At the end of each of the Chapters that follow, we have floated possible options addressing the issues identified, together with the relevant considerations. The considerations and options floated in this document are not meant to be exhaustive. They are drawn up to stimulate informed public discussion.

The Government has an open mind on how the various issues raised in this consultation document should be addressed. We welcome your views. Other options may be formulated in the light of feedback and suggestions from the public.

### **We seek your views**

You are earnestly invited to take time to read this consultation document, and contribute to the discussion.

## Chapter 1

### Legal Liability for Unauthorised Uploading and Downloading of Copyright Works

#### Issues requiring review

1.1 The Copyright Ordinance (Cap. 528) accords protection to copyright works in the digital environment. The act of unauthorised uploading of a copyright work for others to download may attract civil or even criminal sanctions<sup>1</sup>. Unauthorised downloading of copyright works entails civil liability.

1.2 Technological advances in recent years have meant that data files can be transmitted over the Internet in more and more efficient ways. The emergence of peer-to-peer (P2P) technology is a good example (see Appendix I for details on how P2P transmissions operate). P2P technology can be exploited for many legitimate purposes. However, if copyright works are shared among P2P users without the authorisation of the copyright owners, large-scale copyright infringement quickly emerges. Copyright owners claim that the development of P2P technology has caused a massive increase in unauthorised uploading and downloading of copyright works on the Internet, resulting in tremendous loss in revenue.

1.3 At present, the Customs and Excise Department takes vigorous criminal enforcement actions against unauthorised uploading of copyright materials onto websites for distribution, and the act of distributing infringing copyright materials by initiating file sharing

---

<sup>1</sup> Under the Copyright Ordinance (Cap. 528), any person who makes available a copy of a copyright work to the public on the Internet, without the authorisation of the concerned copyright owner, may attract civil liability. In addition, any person who knowingly distributes an infringing copy of a copyright work either (i) in a business context (e.g. for financial gain), or (ii) to the extent that prejudicially affects the copyright owner in a non-business context (e.g. making available a copyright work free of charge to the extent that the copyright owner can no longer exploit his economic rights to the work), may attract civil and criminal liability. The maximum penalty upon criminal conviction is a fine at level 5 (i.e., currently HK \$50,000) in respect of each infringing copy and imprisonment for four years. Furthermore, making a copy of a copyright work without the authorisation of the copyright owner is a civil infringement under the Copyright Ordinance. Copying of a work includes storing the work in any medium by electronic means. As the act of downloading a copyright work involves making a copy of the work at the downloader's computer, this act may incur civil liability.



activities using the Bit Torrent (BT) software<sup>2</sup>. Besides, since early 2006, some copyright owners from the music and local movie industries have proactively taken civil actions against individual P2P users alleged to have been involved in unlawful uploading and downloading of copyright works.

1.4 Notwithstanding the above, copyright owners from different industries (including the music, movie, computer software, publishing industries, etc.) claim that rampant Internet infringement activities have seriously hampered their development and their loss could hardly be compensated by damages awarded as a result of individual civil actions. Some suggest that unauthorised downloading activities should constitute criminal offence. Others suggest that criminal sanctions should be introduced against individual P2P users who are downloading copyright works without authorisation as they are at the same time making it possible for other P2P users to share the portions of the file that they have just downloaded, as well as the files stored in their own specified folder.

1.5 This Chapter reviews whether a wider scope of Internet infringement activities should be subject to criminal liability.

### **Situations in other jurisdictions**

1.6 There are no specific criminal sanctions in Australia, Canada, and the UK against the acts of downloading infringing materials from the Internet. Instead, downloaders may incur civil liability. This is similar to the current situation in Hong Kong. On the other hand, unlawful downloading may attract criminal liability in France, Germany and Japan unless the acts fall under the private use exception, where available, in the respective laws in these jurisdictions<sup>3</sup>. In Singapore, willful illegal

---

<sup>2</sup> Any person who owns a complete infringing copy of a copyright work (“called a BT seed”) and initiates the BT file sharing activities by creating and posting a “torrent file” in a discussion forum in the Internet to advertise the infringing copy is called a ‘file sharing initiator’. The “torrent file” serves as a road sign that contains a description of the work available for download and its whereabouts. By clicking on the torrent file, one will be linked to the file sharing activity initiated by the initiator.

<sup>3</sup> The private use exception is available in France, Germany and Japan and is subject to the payment of equitable remuneration to the copyright owners in the form of a levy on blank recording media or recording equipment such as blank tapes, CDs, DVDs, CD writers, DVD writers, and other devices with recording functions. Some consumers however consider that such a scheme is unfair to them as they are purchasing blank recording media or recording equipment for purposes other than copying copyright materials.

downloading attracts criminal liability if the infringement is significant or for commercial advantage. In the US, criminal liability may accrue where willful infringement is for private financial gain/commercial advantage or the retail value of the downloaded material exceeds US\$ 1,000. Nevertheless, we are not aware of any relevant case law involving traditional downloading activities from websites in these jurisdictions, though a few criminal convictions against P2P users for illegal file sharing activities are found in France and Germany<sup>4</sup>.

1.7 That takes us to the question of whether individual P2P users should be subject to criminal liability if they make infringing materials stored in the specified folders in their hard disks available to other P2P users while the latter are downloading infringing materials. The relevant provisions in the respective laws in France, Germany, Japan, Singapore, the UK and the US are wide enough to catch these users, as long as there is sufficient proof of the guilty intent as required under the laws of the jurisdictions concerned<sup>5</sup>. In practice, however, only a limited number of enforcement cases and convictions have occurred in these jurisdictions.

1.8 More detailed information about the position in overseas jurisdictions is set out in Appendix II.

## **Considerations**

1.9 In considering (i) whether unauthorised downloading should be subject to criminal liability; and (ii) how the scope of criminal liability for unauthorised P2P file sharing should be expanded, we need to take into account the following –

- (a) enhanced protection for copyright works in the digital environment encourages the creative industries to digitise their works and to exploit new sales channels on the Internet. This would provide more choice to consumers and help

---

<sup>4</sup> It is noted that the convictions against the P2P users for illegal file sharing activities generally involved rather large quantities of infringing copies.

<sup>5</sup> The laws in these jurisdictions are in fact wide enough to cover making available infringing material on the Internet generally i.e., irrespective of whether this is done in a P2P context.

promote Hong Kong's development as a regional hub for digital content;

- (b) the Government has been adopting a multi-pronged approach, which encompasses legislation, enforcement, public education and cooperation with the industry, to combat Internet piracy. Moreover, copyright owners are making wider use of technical solutions (e.g. digital rights management systems) to protect their works. Additional criminal sanctions are not necessarily the only viable solution to deter unauthorised downloading and file sharing activities;
- (c) should criminal liability be expanded to cover unauthorised uploading and downloading of copyright works, users might refrain from using any copyright works in their online communication for fear of attracting criminal sanctions, unless they are confident that copyright authorisation is available. However, some users may have difficulty in securing authorisation to download or share copyright materials online since not all copyright materials are covered by licensing schemes<sup>6</sup>, and it may not be easy to ascertain the copyright ownership and identify the copyright owners for some works. Users may consider that the expanded criminal liability would have adverse impact on timely dissemination of information and freedom of expression;
- (d) P2P technology is an effective and resource-saving technical development in the overall operation of the Internet. Exploitation of P2P technologies for legal purposes should be encouraged. As knowledge acquisition and creation comes to rely more and more on P2P technologies, we need to assess carefully the impact that criminalisation of unauthorised P2P file sharing may have on Hong Kong's development as a knowledge-based economy; and

---

<sup>6</sup> A licensing scheme is a scheme setting out the classes of cases and the terms upon which the copyright owners concerned are prepared to grant licences for the use of their works. For ease of administration, licensing schemes are often managed by operators who act on behalf of copyright owners of the same or similar types of works.

- (e) we also need to consider the degree of invasion of an Internet user's home or computer that would be necessary to investigate and prove such offences. While it is common internationally for courts to authorise access to private computers in suspects' homes for investigating offences such as terrorism or child pornography, it is debatable whether economic crimes such as copyright infringement other than on a commercial or significant scale should be subject to such powers of investigation.

### **Possible options**

1.10 We have the option of maintaining the existing liability pertaining to unauthorised downloading and uploading of copyright works. Instead of criminalising such acts, we may consider putting in place other measures that help deter unauthorised downloading and file sharing activities on the Internet. For example, it is for consideration whether online service providers<sup>7</sup> could help in removing or blocking access to online infringement activities when they are notified that such activities occurred via their service platform, and whether measures should be rolled out to facilitate right owners in taking civil actions to protect their rights. These issues will be discussed in the ensuing chapters of this document.

1.11 If we are to introduce new criminal liability, there could be different extent of criminalisation. The following are the possible options –

- (a) to criminalise all downloading activities done without the authorisation of the concerned copyright owners. Under such a scenario, not only would a person who uses a P2P software to download a song or movie (without the authorisation of the copyright owner) be subject to criminal sanction, he who downloads an article or a photograph/graphics on the Internet without authorisation would also render himself liable to criminal prosecution;

---

<sup>7</sup> Please refer to footnote 8 on p. 10 of this consultation document for the meaning of "online service providers".

- (b) to criminalise all file sharing activities done without the authorisation of the concerned copyright owner. Under this scenario, acts of unauthorised downloading per se would continue to be tackled by civil proceedings as at present. However, a person who uses a P2P software to download a song or movie from the Internet would be subject to criminal sanction. The reason is that he is also offering to other P2P users access to the portions of the work that he has just downloaded as well as the works stored in his own specified folder; or
- (c) to criminalise only those unauthorised downloading and file sharing activities which result in direct commercial advantage or are significant in scale. For this option, particular attention should be given to the clarity of the circumstances in which unauthorised downloading would fall under the criminal net.

1.12 The above options are highlighted to illustrate the range within which choices can be made if we are to criminalise unauthorised downloading and P2P file sharing activities. They are not meant to be exhaustive. We welcome suggestions. Other options may be formulated in the light of feedback from the public.

### **Summary of views sought**

1.13 Your views are sought on whether and if so how the scope of criminal liability should be expanded to combat unauthorised uploading and downloading activities in Hong Kong.

## Chapter 2

### Protection of Copyright Works Transmitted to the Public via all Forms of Communication Technology

#### Issues requiring review

2.1 The development of digital technology and the convergence of different digital media have opened up new possibilities for copyright owners to exploit their works. Apart from deploying traditional broadcast and cable programmes and uploading onto servers or websites on the Internet, digital content creators can now distribute content and exploit their copyright works through diverse channels such as webcasting, on-demand services, mobile telephony, etc. Copyright owners consider that adequate protection should be accorded to their works disseminated through different platforms in the digital age.

2.2 Under the existing Copyright Ordinance (Cap. 528), copyright owners have the exclusive right to make available a copyright work to the public on the Internet (which is to be accessed from a place and at a time individually chosen by users). Copyright owners also have the exclusive right to broadcast or include a copyright work in a cable programme. Civil remedies are available against any person who infringes these rights.

2.3 Copyright owners are nevertheless concerned that with advances in technology, new means for transmission may emerge and the current meanings of “broadcast”, “cable programme” or “making available” in the Copyright Ordinance may not be adequate to cope with technological developments. They therefore suggest that an all-embracing right to exploit their copyright works should be introduced into the Copyright Ordinance so that their copyright works would be accorded protection irrespective of the forms of communication technology through which the works are transmitted to the public, whether now or in the future. They are of the view that this right is useful to ensure that their investment and creativity in developing digital content could be adequately protected from unlawful exploitation.

## **Situations in other jurisdictions**

2.4 An all-embracing right to communicate a copyright work to the public is available in the copyright laws of the UK, Australia and Singapore. While the meanings of “communicating to the public” in these jurisdictions are not entirely the same, all of them generally cover the communication platforms of broadcast and cable programme services, as well as making available of copyright works over the Internet. The definitions could cover any new communication means that may emerge in the future.

2.5 In the UK, civil remedies are available against any person who communicates to the public a copyright work without the authorisation of the copyright owner. Criminal sanctions are also available if the person knowingly does so for the purpose of or in the course of any trade or business, or to the extent that prejudicially affects the copyright owner. In Singapore, a person who infringes the copyright owners’ exclusive right of communicating their works to the public may attract civil liability. When the infringement is willful and if either the extent of the infringement is significant or the infringing act is done to obtain a commercial advantage, criminal sanctions may also be available. In Australia, only civil remedies are available for infringement of the right.

## **Considerations**

2.6 In considering whether an all-embracing right should be given to copyright owners to communicate their works to the public under the Copyright Ordinance, we need to take into account the following –

- (a) the introduction of such a right could promote the development of digital content and demonstrate our commitment to uphold copyright protection regardless of the technology used for disseminating the copyright works;
- (b) a right of this nature would be able to encompass future technological developments. This would obviate the need to review and amend the Copyright Ordinance whenever new technologies emerge; and

- (c) the new right would inevitably affect the users of copyright works. We need to carefully assess if there would be implications over dissemination of information and freedom of expression.

### **Possible options**

2.7 It is for consideration whether we should introduce an all-embracing right for copyright owners to communicate their works to the public in all forms of communication technology so as to ensure that our Copyright Ordinance could cover future advances in technology. In going down this path, we would also need to consider whether the new right should attract civil remedies as well as criminal sanctions. It should be noted that if criminal sanctions are to be introduced, a number of activities that may only attract civil liability at present could become criminalised. For instance, a person who, without the authorisation of the copyright owner, makes available an article on a personal homepage without inviting others to download it, or a person who uses a peer-to-peer streaming software to relay a live television broadcast programme for the public's viewing might be caught. The considerations for expanding the scope of criminalisation as set out in paragraphs 1.9(b) to 1.9(e) in Chapter 1 of this consultation document also need to be taken into account.

### **Summary of views sought**

2.8 Your views are sought on whether an all-embracing right to communicate copyright works to the public should be introduced into the copyright law of Hong Kong to ensure that copyright works would be adequately protected irrespective of the form of communication technology through which they are disseminated, and if so, whether infringement of this right should attract criminal sanctions.



## Chapter 3

### Role of Online Service Providers in Relation to Combating Internet Piracy

#### Issues requiring review

3.1 There has been growing discussion in the community about the role of online service providers (OSPs)<sup>8</sup> in relation to combating Internet piracy, including the extent of their liability for the online piracy activities occurring on their service platforms (“secondary liability”).

3.2 All along, the cooperation of OSPs has been an important element in allowing copyright owners to take effective civil action against Internet piracy. Some OSPs respond positively to requests from copyright owners to remove infringing materials from their servers or to block access to infringing websites identified by the owners. Some OSPs are willing to pass on warning notices to clients found by copyright owners to have engaged in online piracy. However, individual OSPs may be less forthcoming in offering assistance to copyright owners to combat Internet piracy particularly where they are (a) uncertain whether the allegations of infringement made by the copyright owners are true and wish to avoid the risk of being sued by their clients; and (b) worried that this would jeopardise the relationship with their clients given that their competitors may not have offered similar assistance to copyright owners.

3.3 Copyright owners consider that reliance on OSPs’ voluntary cooperation is not adequate to address the Internet piracy problem. They suggest that OSPs should be held liable for the online piracy activities occurring on their service platforms if they, having been made aware of the piracy activities, fail to take any action to remove the infringing materials or block access to them. At the same time, appropriate notice and takedown procedures should be introduced into the

---

<sup>8</sup> Online service providers refer collectively to operators who provide Internet services. The services may be broadly categorised as (a) access services; and (b) application services (e.g. offering server space for websites or storage space for data, managing and operating websites, domain name resolution services, web mail, discussion forums or newsgroups, providing search engines or information location tools to facilitate online information retrieval). OSPs who provide access services are referred to as IASPs. Please refer to footnote 15 on p.19 for the meaning of IASP. Nowadays, many OSPs provide a combination of access and application services.

Copyright Ordinance (see paragraphs 3.11 to 3.13 below) so that OSPs could absolve themselves from liability for damages or criminal sanctions if they follow the procedures. They also consider that OSPs should put in place good business practices against online piracy activities. These may include among other things (a) incorporating specific clauses in subscriber contracts which prohibit subscribers from engaging in online piracy activities and seeking subscribers' prior agreement to the course of action that may be taken by OSPs in response to notices of infringement issued by right owners; (b) formulating measures against repeated infringers, which may involve techniques for identifying such infringers and limiting the bandwidth made available to such infringers; or (c) implementing filtering technologies to block infringing activities.

3.4 This Chapter examines whether it is appropriate to introduce new legal liability for OSPs in the fight against Internet piracy (see paragraphs 3.5 and 3.6 below for the existing liability), and if not, whether there are other non-legislative means.

### *Existing legal liability*

3.5 Under the Copyright Ordinance (Cap. 528), the making available of copies of a work to the public on the Internet is an act restricted by copyright. However, the act of OSPs who merely provide physical facilities for enabling the making available of copies of copyright works to the public on the Internet does not itself constitute a restricted act. Hence, an OSP who merely provides hardware and network infrastructure to their clients for network communications and access through the Internet would not by such acts alone be liable for the infringing activities committed over their network by third parties.

3.6 On the other hand, under the Copyright Ordinance, any person who authorises another person to do an infringing act may attract civil liability. This provision follows closely the UK copyright law<sup>9</sup>.

---

<sup>9</sup> There has been no local court ruling on the meaning of "authorisation". The courts in the UK have decided in previous cases that authorisation means granting authority to another person to do an act. To authorise the infringing acts of another person, the defendant should have some degree of control over the acts of the infringer. On the other hand, the Australian courts have, over the years, adopted a more liberal approach in their interpretation. They considered that inactivity, indifference to or omission of action to stop the infringing acts committed by others could reach such a degree that the defaulter would, in light of all the surrounding circumstances, be regarded as having authorised the infringing acts. Both the UK and Australian decisions would be of reference value to courts in Hong Kong. However, until the local courts have an opportunity to rule on this issue, the meaning of "authorisation" for local cases remains uncertain.

Besides, under the common law principle of “joint tortfeasors”, a person who intends, procures and shares a common design that the infringement should take place may attract civil liability. That means a person may be liable if he has deliberately collaborated with a third party to commit an infringing act. Hence, it is unlikely that OSPs operating in Hong Kong would be liable for the online piracy activities undertaken by the clients who use their services, unless they have either, in the eyes of the court, authorised the infringing acts of their clients or deliberately collaborated with the infringers to undertake the piracy activities. It is however not certain if an OSP would be held liable if alleged piracy activities occurring on his service platform were brought to his attention but no action was taken to stop such activities.

## **Situations in other jurisdictions**

### *Liability of OSPs*

3.7 Similar to the position in Hong Kong, the secondary liability of OSPs for copyright infringement in the UK is based on the concept of “authorisation”. As we have explained in footnote 9, the UK courts require that a person should have a certain degree of control over the acts of an infringer before he could be said to have ‘authorised’ the infringements.

3.8 UK copyright law provides that the High Court should have power to grant an injunction against an OSP where that OSP has actual knowledge of another person using his service to infringe copyright. In determining whether an OSP has actual knowledge of the unlawful activity, courts are required to take into account all the relevant circumstances, including whether the OSP has received a notice through a specified means and the extent to which that notice gives sufficient details of its sender and the infringement in question. Copyright owners could therefore apply for injunctions against OSPs who may not themselves be infringing the owners’ rights.

3.9 In Australia, it is also a copyright infringement for a person to authorise another person’s doing of an infringing act. As we have pointed out in footnote 9, the Australian courts have adopted a more liberal approach in interpreting the meaning of ‘authorisation’. Furthermore, unlike the UK and Hong Kong provisions, the Australian

copyright law stipulates certain matters that must be taken into account in determining whether a person has given the authorisation<sup>10</sup>. It was held in a recent case that the operator of an Internet P2P file sharing system who had knowledge of widespread infringing activities over their system by their clients was liable for having authorised such infringements. In that case, the operator of the system took positive acts to encourage file sharing activities by his clients and failed to take measures to inhibit copyright infringement (e.g. by the use of filtering software) although he had the capacity and means to do so.

3.10 Courts in the US have developed some different rules in connection with secondary liability for copyright infringement, namely, contributory infringement<sup>11</sup>, vicarious infringement<sup>12</sup> and liability for inducing infringements by third parties<sup>13</sup>. There are previous US court cases in which OSPs were held liable for such secondary infringement. For instance, an OSP was held liable for inducing infringements by users of his software since he distributed the software free-of-charge with the object of promoting its use to infringe copyright using peer-to-peer technology. The objective of the OSP was evidenced by the active steps he took to foster infringement. However, it appears likely that OSPs who merely provide a conduit service for online communication would not be held liable for the online piracy activities undertaken by their clients.

---

<sup>10</sup> These matters include –

- (a) the extent (if any) of the person's power to prevent the doing of the act concerned;
- (b) the nature of any relationship existing between the person and the person who did the act concerned; and
- (c) whether the person took any other reasonable steps to prevent or avoid the doing of the act, including whether the person complied with any relevant industry codes of practice.

<sup>11</sup> For a defendant to be liable for contributory infringement, the plaintiff must prove the following three elements: (1) direct infringement by a primary infringer; (2) knowledge of the infringement; and (3) material contribution to the infringement.

<sup>12</sup> For a defendant to be liable for vicarious infringement, the plaintiff must prove the following three elements: (1) direct infringement by a primary infringer; (2) a direct financial benefit to the defendant; and (3) the right and ability to supervise the infringers.

<sup>13</sup> The US Supreme Court held that an individual can be liable for copyright infringement if they distribute a device with the object of promoting its use to infringe copyright, as shown by a clear expression or other affirmative steps taken to foster infringement. However, it does not include ordinary acts incidental to product distribution, such as product updates or technical support.

### *The US's Digital Millennium Copyright Act (DMCA)*

3.11 The Digital Millennium Copyright Act (DMCA) of the US contains provisions on notice and takedown procedures. Rather than mandating OSPs to take measures to remove or disable access to infringing materials found on their service platforms upon notification by copyright owners, the DMCA exempts OSPs from liability for copyright infringement if they comply with prescribed conditions (i.e., the OSPs would not be sued for monetary relief). To qualify for the protection available under the DMCA, an OSP generally must (a) have adopted and reasonably implemented (including informing their clients) a policy that provides for the termination of repeated infringers' usage of the OSP's service platform; and (b) accommodate and not interfere with the technical measures that copyright owners use to identify or to protect copyright works under certain prescribed conditions.

3.12 OSPs which provide the following four types of services may enjoy the liability limitations –

- (a) transmission, routing or provision of connections for access to the Internet and other online communication;
- (b) system caching services through an automatic process;
- (c) storage of information on the systems or networks at the direction of clients; and
- (d) information location tools which refer or link users to websites.

3.13 These OSPs must comply with some specific conditions (details at Appendix III) for enjoyment of the liability limitations, and the notice and takedown procedures only apply to OSPs who provide the services in paragraph 3.12 (b) to (d) above. Under the procedures, a copyright owner could serve a notice<sup>14</sup> to an OSP on certain online piracy activities identified on the OSP's service platform. In response, the OSP should take down or disable access to the infringing material

---

<sup>14</sup> The notice is in the form of a statement sworn before an Officer of the Court. There are criminal sanctions if the statement is perjured. The procedure for swearing the statement is simple and inexpensive.

found within a specified period. In the event that the affected service subscriber considers that the material removed or the access disabled was a result of mistake or misidentification, he could serve a counter notice to the OSP which should put back the removed material or cease disabling access unless the concerned copyright owner has sought a court order against this. OSPs are absolved of any liability in civil claims for the above acts done in response to the notices or counter notices served on them.

3.14 Similar provisions are found in the copyright laws of Australia and Singapore due to the implementation of the US Free Trade Agreement.

3.15 In the UK, the Electronic Commerce (EC Directive) Regulations 2002 provide for exclusions of liabilities of OSPs, which may arise out of transmission and storage of information in their electronic networks. The exclusions apply to liabilities of all kinds, not merely in relation to copyright infringements. Their effect is to provide a defence to claims for damages or any other kind of pecuniary remedy in defined situations. Defences are provided to OSPs who provide mere conduit, caching and hosting services. The UK law, however, does not have notice and takedown procedures like those in the US.

### **Considerations**

3.16 The following factors are relevant when considering the extent to which OSPs should be held liable for the online piracy activities undertaken by their clients on their service platforms –

- (a) Hong Kong's Internet infrastructure and services should be used for legitimate purposes. OSPs should not turn a blind eye to the use of their services for online piracy activities when they have knowledge of such occurrence;
- (b) OSPs generally have the technological means to stop any piracy activities identified on or accessible via their service platforms. They also have a contractual relationship with their clients and can impose express conditions in their service contracts to require their clients to use their services for legitimate activities only. OSPs' cooperation is

essential for the implementation of expedient and efficient measures to combat online piracy activities;

- (c) in most circumstances, OSPs do not take part in online piracy activities and only adopt a passive role in the process. When considering the extent to which OSPs should be held liable for the online piracy activities undertaken by their clients on their service platforms, we need to take into account the fairness and reasonableness of the legal responsibilities imposed on OSPs;
- (d) OSPs, especially those who are merely providing conduit service for online communication, face regulatory or technological constraints in censoring or policing the content of the materials posted on or transmitted via their service platforms. The detection and investigation of online piracy activities should rest with copyright owners and law enforcement agencies;
- (e) any notice and takedown system, if introduced, should be carefully formulated with clear procedures and rules to guard against abuse. Otherwise, frivolous complaints could arise, leading to concerns about freedom of expression and dissemination of information. In the early days of the implementation of the DMCA, there were cases where the system was abused by parties simply wishing to remove materials critical of them from Internet websites. Such cases have now largely disappeared;
- (f) the implementation of a notice and takedown system may result in additional operating costs to OSPs. One may argue that the costs borne by copyright owners in asserting their intellectual property rights are passed on to OSPs, a third party not directly involved in the online piracy activities. It is for consideration whether certain means of cost recovery should be built into the system, if implemented; and
- (g) when introducing any regulatory regime in Hong Kong, we need to be sensitive to the fact that Internet services are a

very competitive global market. Any requirements for cumbersome procedures or expensive measures could drive customers offshore.

### **Possible options**

3.17 There exists a wide range of options. At one end, we may pursue a non-legislative route to seek assistance from OSPs in the fight against Internet piracy. For instance, OSPs may be encouraged to develop, together with copyright owners, appropriate guidelines on good industry practices or codes of practice binding on all operators to combat online piracy activities. This may include tightening up their service contracts with subscribers to put in place measures against repeated infringers.

3.18 At the other end of the spectrum, we may go for the legislative route. In doing so, it is for consideration whether OSPs should be held liable for the online piracy activities undertaken by their clients. For instance, the liability may arise immediately if an OSP fails to take steps to remove or disable access to the infringing materials identified on their service platforms. Alternatively, we may set out a list of relevant factors for determining whether a person has authorised certain third party infringements similar to the Australian model (with indifference/omission being one of the relevant factors to be considered). In considering new liability for OSPs, we should also examine whether there should be provisions to limit their liability under specified circumstances which include the introduction of a notice and takedown system. As an alternative to introducing new liability against OSPs, we may follow the UK approach and provide injunctive relief to copyright owners against OSPs who have actual knowledge of another person using their service to infringe copyright in cases where the OSPs themselves are not infringing the copyright owners' right.

### **Summary of views sought**

3.19 Your views are sought on the following issues –

- (a) whether the Copyright Ordinance should be amended to impose liability on OSPs for online piracy activities undertaken by their clients via their service platforms, and if



so, under what circumstances the liability would arise (e.g. the role played by them in relation to the infringing activities, the type of services they provide, whether knowledge of infringement is required, etc.) and what remedies or sanctions should be imposed;

- (b) if (a) is to be pursued, whether there should be limitations as to the liability of OSPs and if so, what conditions and procedures should be prescribed for OSPs to follow, in order to be eligible for the limitations; and
- (c) if (a) is not pursued, what appropriate measures, legislative or otherwise, could be implemented to address the Internet piracy problem.

## Chapter 4

### Facilitating Copyright Owners to Take Civil Actions against Online Infringement

#### Issues requiring review

4.1 When a person logs on the system of an Internet Access Service Provider (IASP)<sup>15</sup> for access to the Internet, an Internet Protocol (IP) address is assigned to the person for his online communication. One cannot deduce personal information such as the identity and address of the individual user merely from the assigned IP address. Such personal information is kept by the IASP and not available to third parties. However, access to such personal information is essential when copyright owners seek to take civil actions against online infringers.

4.2 The identity and addresses of Internet users are personal data protected under the Personal Data (Privacy) Ordinance (PDPO) (Cap. 486)<sup>16</sup>. In addition, the Public Non-Exclusive Telecommunications Service Licence (PNETS Licence) held by IASPs prohibits disclosure of customer's information except, amongst other things, as may be authorised by or under any law. In view of the potential liability under the PDPO and the PNETS Licence, some IASPs are prepared to disclose the personal particulars of the alleged infringers only when a relevant court order has been obtained by the copyright owners.

---

<sup>15</sup> An IASP refers to a service provider which offers a conduit service for the transmission, routing or connections for access to Internet and other online communication between or among points specified by a user. It does not check or modify the content of the materials transmitted online as chosen and directed by the user.

<sup>16</sup> According to the PDPO, personal data shall not, without the prescribed consent of the data subject, be used for any purpose other than (a) the purpose for which the data were to be used at the time of the collection of the data; or (b) a purpose directly related to the purpose referred to in (a). However, the PDPO also provides for exemption whereby the use of the data is for the prevention, preclusion or remedying (including punishment) of unlawful or seriously improper conduct and the application of the Data Protection Principle would be likely to prejudice such matters.

4.3 At present, copyright owners may apply under the Norwich Pharmacal principles<sup>17</sup> for a court order which requires the disclosure of the personal data of alleged online infringers by the relevant IASPs. Under such proceedings, the normal order of costs to be made is that the applicant shall pay the costs of the IASPs, including the costs of providing the information. Some copyright owners claimed that in past proceedings instituted by them<sup>18</sup>, the compensation received from infringers could not cover the costs incurred in such proceedings. One of the reasons is that rather than aiming to compensate the copyright owners for their loss, the civil actions were mainly intended to send out a warning message to the community: individual infringers were generally only asked to pay an amount sufficient to achieve the desired effect.

4.4 Copyright owners request the provision of an alternative mechanism, which should be both expedient and simple, for them to request IASPs to reveal the personal particulars of online infringers. Some suggest a mechanism similar to the subpoena process provided in the Digital Millennium Copyright Act (DMCA) (please see paragraphs 4.7 and 4.8 below for details). Others suggest that the copyright law should specify the circumstances under which IASPs are obliged to disclose the identity of alleged online infringers. Furthermore, record-keeping practices vary among IASPs at present, depending on individual IASP's operational need to keep records for their own business purposes. Copyright owners suggest that IASPs should be obliged to retain subscriber data (including records of their online communication) for a sufficiently long period of time - say, one or two years - so as to facilitate civil and criminal enforcement of their rights under the Copyright Ordinance (Cap. 528).

---

<sup>17</sup> Norwich Pharmacal relief is a well-established equitable relief under the common law which requires a third party who has facilitated certain wrongdoing to disclose the identity of the wrongdoer to the victim. The essential considerations that the court bears in mind before a Norwich Pharmacal order is made are (i) there must be cogent and compelling evidence to demonstrate that serious tortious or wrongful activities have taken place; (ii) it must be clearly demonstrated that the order will or will very likely reap substantial and worthwhile benefits for the plaintiff; and (iii) the discovery sought must not be unduly wide.

<sup>18</sup> Since early 2006, some copyright owners from the music and local movie industries have succeeded in seeking Norwich Pharmacal orders in three cases to require IASPs to disclose the personal data of individual peer-to-peer users who are suspected of being involved in unlawful uploading and downloading of copyright works.

4.5 This Chapter examines the two issues raised in paragraph 4.4 with a view to exploring how to facilitate copyright owners in taking civil actions against online infringement.

### **Situations in other jurisdictions**

#### ***Disclosure of information by IASPs***

4.6 As in Hong Kong, copyright owners in the UK, Australia, Canada and Singapore have to pursue court proceedings if they want to get an IASP to disclose the identity of their clients who have allegedly infringed copyright. The Norwich Pharmacal Order and some statutory discovery rules are available to copyright owners in these places.

4.7 The US however provides a mechanism under the Digital Millennium Copyright Act (DMCA) which enables a copyright owner or his authorised agent (“the complaining party”) to request the clerk of any US District Court to issue a subpoena to an online service provider for identification of an alleged infringer. Information required to be furnished to the clerk includes, *inter alia*, identification of the copyright work claimed to have been infringed, identification of the infringing materials, information sufficient to permit the concerned online service provider to locate the infringing materials, a statement that the complaining party has good faith belief that the use of the infringing materials concerned was not authorised by the copyright owner, a statement that the information submitted to the clerk is accurate and subject to the penalty of perjury. In addition, a sworn declaration should also be filed with the clerk to the effect that the purpose of subpoena is to obtain the identity of an alleged infringer and such information will only be used for the purpose of protecting the copyright of the concerned owner.

4.8 The subpoena provisions in the DMCA essentially require the clerk of the court to accede to the subpoena request if all the required information is available. The procedure for obtaining subpoenas is quick and inexpensive. The online service provider to whom a subpoena is issued could either comply with the subpoena or file, with a judge, a motion to quash the subpoena. Nevertheless, the US Court previously held that the subpoena procedure should only be available where an online service provider was performing storage or linking

function and not when it was merely performing transmission function as in the case of activities involving P2P file sharing programs. In other words, copyright owners cannot resort to the subpoena procedure when they seek to assert their civil rights against alleged infringers using P2P file sharing programs<sup>19</sup>.

4.9 On the other hand, copyright owners have the option of initiating legal proceedings against an infringer whose name is unknown at the time of filing the lawsuit under the US Federal law. Such type of proceedings is commonly referred to as “John Doe actions”. The plaintiff could request the court to open a legal discovery process which enables him to obtain the subscriber information associated with the IP addresses of alleged infringers from the concerned IASPs. When the identity of the subscribers is known, they would be given a chance to settle before their names are officially added to the lawsuits. The factors that the court would consider in granting the John Doe subpoena are similar to the considerations that the court may take into account in determining whether or not to grant a Norwich Pharmacal order (see footnote 17 on p.20). Unlike the DMCA subpoena procedure, both the John Doe actions and the Norwich Pharmacal relief require the applicant to justify his/her application before a court which would, in exercising its discretion, balance the competing interests of the concerned copyright owner and IASP.

### ***Record-keeping by IASPs***

4.10 Our research into the copyright laws of the US, UK, Canada, Australia and Singapore does not reveal any specific provisions requiring IASPs to keep logs to facilitate copyright owners or law enforcement agencies in bringing actions against online copyright infringements. However, some copyright owners advise that individual countries such as Belgium, France, and the UK have imposed data retention requirements on communication service providers to facilitate investigation of other criminal offences or for such specific purposes as investigating terrorism.

---

<sup>19</sup> Please see Appendix I of this consultation document for information about P2P file sharing.

## Considerations

4.11 In considering whether the Copyright Ordinance should be amended so that copyright owners could require IASPs to disclose the identity of alleged online infringers without going through court proceedings, a fundamental issue that requires examination is whether the existing mechanism available to copyright owners causes insurmountable problems to copyright owners in asserting their civil rights against online infringements to an extent which would necessitate the introduction of an alternative mechanism. We would need to strike a reasonable balance between the interests of copyright owners against the need to protect individuals' privacy and the compliance burden placed on IASPs. The following issues are relevant –

- (a) the cost of applying for an expedited hearing for Norwich Pharmacal relief in urgent cases is likely to be higher than in the usual cases. A mechanism for copyright owners to obtain the personal data of alleged online infringers without going through court proceedings would enable them to obtain the data in a more expedient and probably less costly way;
- (b) there should be adequate procedural safeguards to forestall arbitrary interference with individuals' privacy if a specific mechanism is to be formulated for copyright owners to obtain the personal data of alleged online infringers. A mechanism to compel IASPs to disclose the personal particulars of their clients under specified circumstances will not involve any impartial third party scrutiny. Also, allowing a subpoena to be made without recourse to the court will represent a significant departure from the current position; and
- (c) the proposal to compel IASPs to disclose their clients' personal particulars to copyright owners under specified circumstances would also mean that IASPs have to determine if the circumstances of the case meet the prescribed conditions. We need to assess whether the burden thus placed on the IASP is too onerous as they would face the risk of breaching the duty of confidentiality in their PNETS licence (or other relevant telecommunications

licence) and the data protection principles under the PDPO if they fail to make a proper assessment.

4.12 As regards the suggestion to require IASPs to keep logs of their customers' online communication, we should take into account factors including –

- (a) the need for making this requirement mandatory when it is already the industry's existing practice to keep logs for their own purposes; and
- (b) the additional costs of compliance to be incurred by IASPs, which may in turn be passed on to customers and affect their competitiveness in a global market.

### **Possible options**

4.13 We may maintain the status quo whereby copyright owners would continue to initiate proceedings under the Norwich Pharmacal principles to compel IASPs to disclose the identity of their clients and to rely on the IASPs' industry practice to keep logs of their clients' online communication. Some guidelines and measures may be developed among copyright owners and IASPs including the establishment of formal points of contact between both sides with a view to facilitating communication.

4.14 If we go for legislation, there could be different options. For instance, we may provide a specific mechanism under the law for copyright owners to compel IASPs to disclose their clients' information and to impose a requirement under the Ordinance for IASPs to keep logs. Another possible option is to only provide a mechanism for disclosure by IASPs of their clients' identity along the lines of the DCMA subpoena procedure or any other procedure that suits the local circumstances.

### **Summary of views sought**

4.15 Your views are sought on the following issues –

- (a) whether a specific mechanism should be provided under the Copyright Ordinance for copyright owners to request IASPs

to disclose the identity of their clients who are allegedly engaged in online infringing activities and, if so, what features the mechanism should have and which party should bear the costs for providing the information;

- (b) whether a legislative route should be pursued to require IASPs to keep records of their clients' online communication and, if so, how long the records should be kept and whether copyright owners should bear the costs for storing the records; and
- (c) if the status quo is to be maintained, whether any industry guidelines and measures could be formulated to enhance communication between copyright owners and IASPs so as to facilitate the former in obtaining, under the existing legal mechanism, information pertaining to alleged online infringers from the latter.



## Chapter 5

### Statutory Damages for Copyright Infringement

#### Issues requiring review

5.1 Under our Copyright Ordinance (Cap. 528), the plaintiff in a copyright infringement action may seek, among other things, damages to compensate the loss that he has suffered. In doing so, he has to show to the court the loss he has suffered and that the infringement in question is the effective cause of the loss<sup>20</sup>. In addition to such damages that are compensatory in nature, the court may grant additional damages if it considers that it is fair to do so on the facts of the case. In making such an additional award, the court would take into account all the circumstances of the case, in particular –

- (a) the flagrancy of the infringement;
- (b) the benefit accruing to the defendant by reason of the infringement; and
- (c) the completeness, adequacy and reliability of the defendant's business accounts and records.

5.2 Copyright owners claim that it is not easy to find evidence as to the causation and extent of loss. In their view, the actual amount of damages awarded by the court in civil infringement proceedings is usually too small to deter infringers. They consider that the problem is even greater for online piracy cases given the difficulty in gathering evidence on the number of infringing copies of copyright works that the infringer may have actually produced and made available to others on the Internet. Hence, they suggest that Hong Kong should introduce statutory damages. This means that the amount or range of damages to be awarded to the plaintiff in a copyright infringement action would be fixed by statute. They are of the view that this would ensure that the award of damages would better align with the losses suffered by copyright owners, thereby helping to deter future infringement.

---

<sup>20</sup> The Court of First Instance has, in a previous case, taken a liberal approach to determine the amount of compensation to be awarded where it was not feasible to quantify the harm suffered by the plaintiff accurately in mathematical terms.

5.3 This Chapter examines whether it is appropriate to introduce statutory damages for copyright infringement.

### **Situations in other jurisdictions**

5.4 Similar to Hong Kong, the copyright laws in the UK and Australia do not provide for statutory damages, but require that copyright owners should prove their actual losses for the award of damages. They also provide for additional damages as in Hong Kong. The courts in these two countries have in some cases held that additional damages could include a punitive element.

5.5 On the other hand, the US, Canada and Singapore provide for statutory damages for copyright infringement in their copyright laws. A comparison of the amount of statutory damages in these countries is set out at Appendix IV. The US and Canadian provisions allow a copyright owner to choose at any time during the proceedings before a final judgment is rendered to recover an award of statutory damages for the infringement in question rather than damages and account of profits. Different ranges of statutory damages are provided for in different situations. Where the infringer was not aware and had no reason to believe that his act constituted an infringement of copyright, a lower range of statutory damages is available as compared with the situation where the infringer had knowledge of infringement. The US model even provides for a higher range of statutory damages for cases where the infringement was committed willfully.

5.6 Both the US and Canadian models provide for exceptions under which no statutory damages would be awarded. For example, no statutory damages would be awarded against educational institutions or in respect of infringements arising from parallel importation in Canada. The Canadian model has a unique feature which gives the court discretion to award statutory damages lower than the minimum amount specified in the law when (a) a medium contains more than one copyright work; and (b) the application of the general rule to calculate the total statutory damages per work would result in an amount that is disproportionate to the seriousness of the infringement.

5.7 The position on statutory damages in Singapore is largely similar to that in the US and Canada. There are however some

distinctive features: namely, (a) a cap on the aggregate amount of statutory damages that may be awarded in proceedings unless the plaintiff proves that his actual loss from the infringement exceeds the amount, and (b) the absence of exceptions whereby statutory damages do not apply.

### **Considerations**

5.8 In considering whether and if so how statutory damages should be introduced for copyright infringements in Hong Kong, we need to take the following into account—

- (a) the availability of statutory damages as a relief to copyright owners may alleviate the problems they encounter in proving actual loss and hence reduce their cost burden in pursuing infringement proceedings. Given that the time and effort required in establishing the actual loss could be saved, the cost of litigation could be lowered. Copyright owners would then have a stronger incentive to assert their rights against infringers through civil actions;
- (b) with the introduction of statutory damages, some potential infringers would regard the risk of paying compensation to the copyright owners a real one. Coupled with the fact that copyright owners are likely to be more ready to institute proceedings against infringers, there would be a stronger deterrent effect;
- (c) damages have historically been the primary remedy in actions for breach of contract and tort in civil law. The concept of statutory damages is an exception to the general legal principles by which damages are awarded in Hong Kong: namely, that they are compensatory in nature and that the party claiming damages has to prove the loss;
- (d) statutory damages would fetter the court's discretion to determine the appropriate damages to be awarded, having regard to the actual losses suffered by plaintiffs and other circumstances surrounding individual cases. The court would be required to award damages within a specified range prescribed in legislation; and

- (e) it is difficult to stipulate a range of statutory damages which may reasonably accommodate all circumstances of copyright infringements. Hence, there could be situations where the amount of statutory damages awarded is insufficient to compensate the loss of the copyright owners, and other situations where the amount is a grossly excessive penalty.

### **Possible options**

5.9 Since early 2006, copyright owners in the music and local movie industries have been initiating civil proceedings proactively against infringers for illegal uploading and downloading of their copyright works. One possible option would be to wait for more cases to build up before concluding –

- (a) whether there are insurmountable problems in proving the causation and extent of loss caused by copyright infringements in the digital environment; and
- (b) whether the compensation awarded by the court is adequate or otherwise to deter future infringements.

5.10 Another option is to introduce legislative amendments to the Copyright Ordinance to provide for statutory damages. Various possible formulations of the system may be considered. Relevant issues include what range(s) of statutory damages would be appropriate, whether there should be exceptions to the award of statutory damages, whether statutory damages should be available for all types of copyright infringement or those occurring in the digital environment only, whether the court should be given the discretion to put a cap on the aggregate amount of statutory damages to be awarded having regard to the circumstances of individual cases, etc.

**Summary of views sought**

5.11 Your views are sought on whether statutory damages for copyright infringement should be introduced into Hong Kong, and if so, the range(s) of damages that should be provided and how the system should operate.

## Chapter 6

### Copyright Exemption for Temporary Reproduction of Copyright Works

#### Issues requiring review

6.1 Under the Copyright Ordinance (Cap. 528), copying of a copyright work in any material form without the authorisation of the copyright owner may incur civil liability. Copying includes the making of copies which are transient or incidental to some other use of the work.

6.2 Section 65 of the Copyright Ordinance provides copyright exemption for the making of a transient and incidental copy which is technically required for the viewing or listening of a work by a user to which the work is made available on the Internet (which is to be accessed from a place and at a time individually chosen by the user). This makes it clear that a user would not be liable for the transient copy of a copyright work that a web browser automatically creates in the RAM or hard disk cache<sup>21</sup> of his computer when viewing or listening to the work on the Internet. However, the scope of this exemption may not cover all other temporary reproduction of copyright works by digital devices (see paragraphs 6.5 and 6.7 below).

6.3 Many Internet Access Service Providers<sup>22</sup> (IASPs) store temporarily at their proxy servers<sup>23</sup> web contents retrieved at the request of Internet users so that the contents can be quickly retrieved by the same or different users the next time the same contents are requested. This helps save bandwidth on frequently-accessed web contents. Besides, some service providers providing search engines or information location tools may store and index web contents they have retrieved on their own

---

<sup>21</sup> A cache is a temporary storage area. Frequently accessed data can be stored in the cache for rapid access.

<sup>22</sup> Please refer to footnote 15 on p.19 for the meaning of an IASP.

<sup>23</sup> A proxy server refers to a server that is located between a client application, such as a Web browser used by an Internet user, and a real server holding the materials to be accessed. A proxy server intercepts all requests to the real server to see if it can fulfill the requests itself. If not, it forwards the request to the real server.

initiative. This allows users to access web content that is temporarily unavailable from the original web server, or to gain access to previous versions of web contents which may no longer be available. The copies may be stored for a short while or for some time depending on the practices of individual operators. No express exemption provisions are currently available under the Copyright Ordinance for temporary reproduction of copyright works in the course of the above caching activities. Short of seeking authorisation from the copyright owners concerned, service providers would have to rely on the availability of any implied licence. An element of uncertainty remains.

6.4 This Chapter explores whether and if so how the exemption provisions in the Copyright Ordinance for temporary reproduction of copyright works should be expanded.

### **Situations in other jurisdictions**

6.5 In the UK, Australia and Singapore, there are general exemptions for temporary reproduction of copyright works, though their scope and coverage are not the same. In the UK, the relevant exemption provision applies to the making of a temporary copy of a copyright work (other than a computer program or a database) which is transient or incidental, and has no independent economic significance. The making of the copy must be an integral and essential part of a technological process, the sole purpose of which is to enable (a) transmission of the work in a network between third parties by an intermediary; or (b) a lawful use of the work<sup>24</sup>. It is likely that this exemption applies to the making of a transient copy of a copyright work in the working storage of a computer and in other digital devices for viewing or accessing the work, as well as the making of temporary copies during certain caching activities undertaken by online service providers<sup>25</sup>, subject to the specified conditions in the exemption provisions.

---

<sup>24</sup> In accordance with the relevant European Council Directive based on which the exemption provision in the UK is formulated, a use should be considered lawful where it is authorised by the right holder or not restricted by law. Accordingly, if a copyright owner withdraws permission to access a work, there will be no lawful use of the work unless the act can be justified under another exception to copyright.

<sup>25</sup> In accordance with the relevant European Council Directive based on which the UK provision is formulated, the exception should include acts which enable transmission systems to function efficiently, provided that the intermediary does not modify the information and does not interfere with the lawful use of technology, widely recognised and used by industry, to obtain data on the use of the information. This may include acts which enable browsing as well as acts of caching to take place.

6.6 In Australia, there is an exemption which applies to the making of temporary reproductions of copyright works as part of a technical process in the course of making or receiving a communication (provided the communication does not involve copyright infringement). This exemption applies to the making of temporary copies when browsing materials on the Internet, and in the course of caching activities which are an essential technical part of the communication process. However, for “active” caching which is undertaken for increased productivity or efficiency and reduced costs, it appears that this exemption does not apply.

6.7 There is a further exemption provision in Australia, which applies to the making of temporary reproductions of copyright works as part of a technical process arising from the use of the works. In practice, it covers the making of a transient copy of a copyright work in the working storage of a computer and in other digital devices. This exemption, however, does not apply if the copyright work is an infringing copy or if the use of the work constitutes an infringement of the copyright in the work.

6.8 In Singapore, there is an exemption which applies to the making of temporary reproductions of copyright works as part of a technical process in the course of communication only (provided the communication does not involve copyright infringement). This exemption does not apply to the making of a temporary copy as part of a technical process in the course of using a copyright work in a digital device. Nevertheless, it is arguable that an implied licence from the copyright owner or the general non-purpose-specific fair dealing provision may cover some circumstances of such uses<sup>26</sup> in the copyright law in Singapore.

6.9 In the US and Canada, there are no general exemption provisions for temporary reproduction of copyright works. A court in the US has, however, ruled that online service providers may rely on the

---

<sup>26</sup> Under the copyright law of Singapore, fair dealing with a copyright work does not lead to copyright infringement. In considering whether a certain act constitutes “fair dealing”, a set of factors are to be assessed. These are (a) the purpose and nature of the dealing; (b) the nature of the work; (c) the amount and substantiality of the portion dealt with in relation to the work as a whole; (d) the effect of the act upon the potential market for, or value of, the work.; and (e) the possibility of obtaining the copyright work within a reasonable time at an ordinary commercial price.



fair use defence<sup>27</sup> and, in appropriate cases, on the basis of implied licence, for search engines providing cached links to archival copies of web pages. Furthermore, it has been argued in the US that the making of temporary copies in the course of licensed digital transmission e.g. a temporary buffer copy in the course of streaming, would constitute fair use. Notwithstanding the above, there have been discussions in both countries as to whether express exemption provisions should be introduced.

## Considerations

6.10 In considering whether and if so how the existing scope of copyright exemption for temporary reproduction of copyright works in Hong Kong should be expanded, we need to take into account the following –

- (a) in practice, it is unlikely that the making of a temporary copy of a copyright work as part of the technical process of using or transmitting a digital version of the work would affect the right owner's normal exploitation of the work or cause any significant financial harm to the right owner;
- (b) the introduction of limited copyright exemptions for temporary reproduction of copyright works would provide assurance to users during their reasonable use of copyright works and facilitate further development of Internet services in Hong Kong; and
- (c) any copyright exemptions should be subject to the "three-step test"<sup>28</sup> requirement under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) of the World Trade Organization. If the existing scope of the copyright exemption for temporary reproduction

---

<sup>27</sup> In the US, fair use of a copyright work does not lead to copyright infringement. The factors for assessing whether a certain act constitutes "fair use" are largely similar to those set out in paragraphs (a) to (d) of footnote 26 above. Taking into account the circumstances surrounding the case in question, the US court has concluded that a cache of web pages by a search engine operator for approximately 14 to 20 days is "intermediate and temporary storage" which constitutes fair use.

<sup>28</sup> The "three-step test" requires that the exceptions to copyright restriction should (1) be confined to "special cases"; (2) not conflict with a normal exploitation of the work concerned; and (3) not unreasonably prejudice the legitimate interests of the copyright owner.

of copyright works under the Copyright Ordinance is to be expanded, it is important to carefully formulate the provisions so as to ensure that they are compatible with the “three-step test”.

### **Possible options**

6.11 It is for consideration whether we should expand the existing scope of exemption for temporary reproduction of copyright works in the Copyright Ordinance in the light of overseas practices. We would also need to consider whether the scope of the exemption should be expanded to cover: (a) caching activities undertaken by online service providers; and/or (b) temporary reproduction of copyright works in any other circumstances e.g. in the course of using copyright works on digital devices.

6.12 If we are to provide for temporary reproduction exemption for the caching activities undertaken by online service providers, we would need to consider whether the exemption should apply to caching activities that are done only through an automated technical process for the purpose of making available to their clients copies of copyright work on the Internet and the copyright works are not modified during the caching process. This would provide safeguards for the interests of copyright owners. It is also for consideration whether an upper time limit for which the copies could be retained in the cache should be stipulated as some operators may keep archival copies of web pages for some time. This condition, however, would not be easy to enforce, and is, probably for this reason, not found in the relevant exemption provisions in the UK, Australia and Singapore.

### **Summary of views sought**

6.13 Your views are sought on whether and if so how the existing scope of copyright exemption for temporary reproduction of copyright works should be expanded.

## Chapter 7

### We Seek Your Views

7.1. To sum up, the Government would like to hear the views of the public on the following issues –

- (a) whether and if so how the scope of criminal liability should be expanded to combat unauthorised uploading and downloading activities in Hong Kong (Chapter 1);
- (b) whether an all-embracing right to communicate copyright works to the public should be introduced into the copyright law of Hong Kong to ensure that copyright works would be adequately protected irrespective of the form of communication technology through which they are disseminated both now and in the future, and if so, whether infringement of this right should attract criminal sanctions (Chapter 2);
- (c) whether the Copyright Ordinance should be amended to impose liability on online service providers (OSPs) for the online piracy activities undertaken by their clients on their service platforms, and if so, under what circumstances the liability would arise (e.g. the role played by them in relation to the infringing activities, the type of services they provide, whether knowledge of infringement is required, etc.) and what remedies or sanctions should be imposed (Chapter 3);
- (d) if (c) is to be pursued, whether there should be limitations to the liability on OSPs and if so, what conditions and procedures should be prescribed for OSPs to follow, in order to be eligible for the limitations (Chapter 3);
- (e) if (c) is not pursued, what appropriate measures, legislative or otherwise, could be implemented to address the Internet piracy problem (Chapter 3);
- (f) whether a specific mechanism should be provided under the Copyright Ordinance for copyright owners to request

Internet Access Service Providers (IASPs) to disclose the identity of clients allegedly engaged in online infringing activities and, if so, what features the mechanism should have and which party should bear the costs for providing the information (Chapter 4);

- (g) whether a legislative route should be pursued to require IASPs to keep records of their clients' online communication and, if so, how long the records should be kept and whether copyright owners should bear the costs for storing the records (Chapter 4);
- (h) if (f) and (g) are not to be pursued, whether any industry guidelines and measures could be formulated to enhance communication between copyright owners and IASPs so as to facilitate the former in obtaining, under the existing legal mechanism, information pertaining to alleged online infringers from the latter (Chapter 4);
- (i) whether statutory damages for copyright infringement should be introduced into Hong Kong and, if so, what range(s) of damages should be provided and how the system should operate (Chapter 5); and
- (j) whether and if so how the existing scope of copyright exemption for temporary reproduction of copyright works should be expanded (Chapter 6).

### **How to Respond**

7.2. Please send your views on or before 30 April 2007 for the attention of Division 3 of the Commerce and Industry Branch by email, by post or by fax at the following addresses and fax number –

**Email:** co\_review@citb.gov.hk

**Post:** Commerce and Industry Branch  
Commerce, Industry and Technology Bureau  
Level 29, One Pacific Place,  
88 Queensway, Hong Kong

**Fax:** 2869 4420

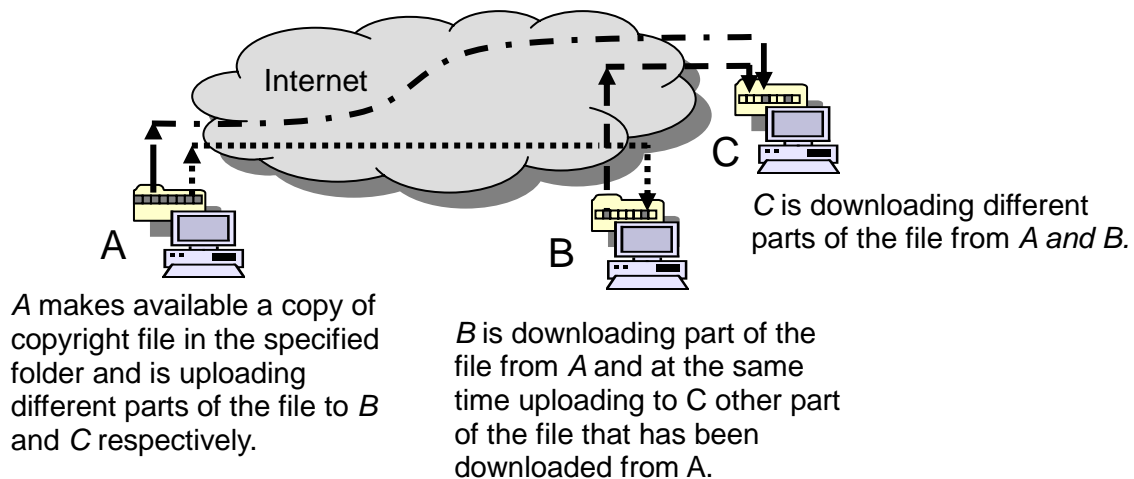
7.3. An electronic copy of this document is available at the following websites –

- Commerce and Industry Branch, <http://www.citb.gov.hk/cib>  
Commerce, Industry and  
Technology Bureau
- Intellectual Property Department <http://www.ipd.gov.hk>
- Government of the Hong Kong <http://www.info.gov.hk>  
Special Administrative Region

7.4. You are free to make copies of this consultation document. Unless you specify a reservation, we shall assume that you have licensed us to reproduce and publish your views in whole or in part in any form and to use, adapt or develop any proposals put forward without the need for permission or subsequent acknowledgement of the party making the proposal.

### What is Peer-to-Peer (P2P) transmission?

Under the traditional client-server mode of Internet transmission, people who want to transmit a file over the Internet have to upload it to a server first, so that the recipient can then download it. Using P2P software, however, there is no need for someone to upload files that they want to share onto a server. Instead, file-sharers can simply store files in a specified folder in their own storage devices and keep the devices connected to the Internet. The files are then available for other online users who have installed the same P2P software to download. An example of P2P file sharing is illustrated below –



In essence, P2P technology eliminates the need to depend mainly on the computing power and bandwidth of a small number of servers for file distribution. Instead, all the participating P2P users are contributing their computing power and available bandwidth to facilitate file distribution. The greater the number of people participating in the file sharing activities, the more efficient the downloading process becomes.

When many users download a popular file simultaneously, the P2P technology removes a bottleneck in the traditional online transmission process. There are many types of P2P software, such as WinMX, BitTorrent, Kazaa, which are used for sharing files of data as well as web broadcasting.

**Legal Liability in Other Jurisdictions for  
Unauthorised Uploading/Downloading on the Internet**

<b>JURISDICTIONS</b>	<b>UNAUTHORISED UPLOADING AND DOWNLOADING</b>	
	<b>CIVIL</b>	<b>CRIMINAL</b>
Australia	<p>Unauthorised uploading of copyright works and other subject matters including sound recordings, cinematograph films, broadcasts and performances may infringe the right of reproduction. The unauthorised uploading of works and other subject matter to a server from which the public may access them may also infringe the right of communication to the public.</p> <p>Unauthorised downloading of copyright works and other subject matter on the Internet may infringe the right of reproduction.</p>	<p>There is a criminal offence of distributing infringing copies of works if done for the purpose of trade or with the intention of obtaining a commercial advantage or profit; or for any other purpose to an extent that affects prejudicially the owner of the copyright. Unauthorised uploading of copyright materials so that they can be accessed by the public may constitute the criminal offence of distribution.</p> <p>There is no criminal liability for the act of downloading infringing material per se.</p>

<b>JURISDICTIONS</b>	<b>UNAUTHORISED UPLOADING AND DOWNLOADING</b>	
	<b>CIVIL</b>	<b>CRIMINAL</b>
Canada	<p>The uploading of copyright works would appear (see note) to infringe the copyright owners' right of reproduction unless it is done for personal use. The unauthorised uploading of copyright works so that they are made available on shared files for others to download can also infringe the copyright owners' right of distribution if it prejudicially affects the copyright owner.</p> <p>The unauthorised downloading of copyright works from the Internet would appear (see note) to infringe the copyright owners' right of reproduction unless it is done for personal use.</p> <p>(Note : the case law on whether downloading and uploading copyright material over the Internet constitute infringement referred to above is currently unsettled.)</p>	<p>There is a criminal offence of distributing infringing copies of works or other subject matter if done for the purpose of trade or to such an extent as to affect prejudicially the copyright owner. Unauthorised uploading of copyright works so that they can be accessed by the public may constitute the criminal offence of distribution.</p> <p>There is no criminal liability for the act of downloading infringing materials per se.</p>



<b>JURISDICTIONS</b>	<b>UNAUTHORISED UPLOADING AND DOWNLOADING</b>	
	<b>CIVIL</b>	<b>CRIMINAL</b>
Singapore	<p>Unauthorised uploading may infringe the right of reproduction as well as the right of communication to the public in respect of copyright works (such as literary, dramatic, artistic, musical works) and other subject matter (such as broadcasts, cable programmes, cinematograph films and public performances). It may also infringe the right of “making available” to the public in respect of sound recordings.</p> <p>Unauthorised downloading may infringe the right to reproduce copyright works.</p>	<p>There is a general criminal offence for willful copyright infringement, where either the extent of the infringement is significant or the infringing act is done to obtain a commercial advantage. Unauthorised uploading and downloading of copyright works on the Internet may therefore constitute criminal offences in appropriate cases.</p>
United Kingdom	<p>Unauthorised uploading of copyright works may infringe the right of reproduction. Uploading onto a server from which others can access and download such materials may also infringe the right to communicate a work to the public or the right of making available to the public in respect of performances.</p> <p>Unauthorised downloading of copyright materials may infringe the right of reproduction.</p>	<p>Unauthorised uploading of copyright material onto the Internet may be covered by the criminal offence of infringing copyright in a work by communicating it to the public in the course of business or otherwise than in the course of a business to such an extent as to affect prejudicially the owner of the copyright.</p> <p>There is no specific criminal liability for unauthorised downloading per se.</p>

<b>JURISDICTIONS</b>	<b>UNAUTHORISED UPLOADING AND DOWNLOADING</b>	
	<b>CIVIL</b>	<b>CRIMINAL</b>
United States	<p>Unauthorised uploading of copyright works may constitute infringement of the copyright owner's right of reproduction. It may also infringe the right to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease or lending; or the right to perform the copyrighted work publicly; or, in the case of sound recordings, the right to perform the copyrighted work publicly by means of a digital audio transmission.</p> <p>Unauthorised downloading may constitute infringement of the copyright owner's reproduction right.</p>	<p>There is a general criminal offence for willful copyright infringement, where the act is done for the purposes of commercial advantage or private financial gain, and in the case of unauthorised reproduction or distribution, where the act involves copyright works having a total value of more than US\$1,000 and takes place during any 180-day period. Hence, criminal liability may arise for unauthorised uploading and downloading in specified circumstances.</p>

<b>JURISDICTIONS</b>	<b>UNAUTHORISED UPLOADING AND DOWNLOADING</b>	
	<b>CIVIL</b>	<b>CRIMINAL</b>
France	<p>Unauthorised uploading of a copyright work may infringe the right of reproduction unless it is done for private use. Unauthorised uploading may also infringe the right of public performance (by virtue of the work being communicated to the public through a process of telediffusion).</p> <p>Unauthorised downloading of a copyright work may infringe the copyright owner's right of reproduction unless it is done for private use.</p>	<p>Any fixation, reproduction, communication or making available to the public, or any telediffusion of a performance, a phonogram, a videogram or a program made without authorisation constitutes a criminal offence.</p> <p>Unauthorised uploading and downloading of copyright materials on the Internet may therefore constitute the criminal offence of infringing the right of reproduction unless such activities fall within the private use exception.</p> <p>Unauthorised uploading of copyright materials on the Internet so that they are accessible by the public may also constitute the criminal offence of infringing the communication or making available to the public rights.</p>
Germany	<p>Unauthorised uploading may infringe the right of reproduction unless it is done for private use. Unauthorised uploading may also infringe the right of communication to the public.</p> <p>Unauthorised downloading of a copyright work on the Internet may infringe the right of reproduction unless it is done for private use.</p>	<p>It is a criminal offence to reproduce, distribute or publicly communicate a copyright work without the author's consent.</p> <p>Unauthorised uploading and downloading of copyright works may therefore constitute criminal offences under this provision (unless such activities fall within the private use exception).</p>

<b>JURISDICTIONS</b>	<b>UNAUTHORISED UPLOADING AND DOWNLOADING</b>	
	<b>CIVIL</b>	<b>CRIMINAL</b>
Japan	<p>Unauthorised uploading of copyright works may infringe the right of reproduction unless it is done for private use. Unauthorised uploading that makes copyright works accessible to the public for download may also infringe the right of public transmission.</p> <p>Unauthorised downloading of copyright works may infringe the right of reproduction unless it is done for private use.</p>	<p>There is a general criminal offence for infringement of copyright or neighbouring rights. This means that any act that infringes the copyright owners' civil rights under the Copyright Law constitutes a criminal offence.</p> <p>Unauthorised uploading and downloading of copyright works that amount to infringement may therefore constitute a criminal offence (unless such activities fall within the private use exception).</p>

**Conditions to be Met to Qualify for the Limitation of Liability under the Digital Millennium Copyright Act of the US**

***Transitory digital network communication***

It refers to transmitting, routing, or providing connections for, material through a system or network controlled or operated by or for the service provider, or by reason of the intermediate and transient storage of that material in the course of such transmitting, routing, or providing connections.

Conditions

- The transmission was initiated by or at the direction of a person other than the service provider.
- The transmission, routing, provision of connections, or copying is carried out by an automatic technical process without selection of material by the service provider.
- The service provider does not select the recipients of the material.
- No copy of the material made by the service provider in the course of such intermediate or transient storage is maintained on the system or network in a manner ordinarily accessible to anyone other than anticipated recipients, and no such copy is maintained on the system or network in a manner ordinarily accessible to such anticipated recipients for a longer period than is reasonably necessary for the transmission, routing, or provision of connections
- The material is transmitted through the system or network without modification to its content.

***System caching***

For the practice of retaining copies, for a limited time, of material that has been made available online by a person other than the service provider and then transmitted to a subscriber at his direction; the service provider retains the material to fill subsequent requests, rather than retrieving the material again from the original source on the network

## Conditions

- The content of the retained material must not be modified.
- The provider must comply with rules about “refreshing” material—replacing retained copies of material with material from the original location—when specified in accordance with a generally accepted industry standard data communication protocol.
- The provider must not interfere with technology that returns “hit” information to the person who posted the material, where such technology meets certain requirements.
- The provider must limit users’ access to the material in accordance with conditions on access (e.g. password protection) imposed by the person who posted the material.
- Any material that was posted without the copyright owner’s authorisation must be removed or blocked promptly once the service provider has been notified that it has been removed, blocked, or ordered to be removed or blocked, at the originating site.

### ***Information residing on systems or networks at the direction of users***

It refers to the storage of infringing material on web sites hosted on service provider’s systems at the direction of a user.

## Conditions

- The service provider must not have the requisite level of knowledge of the infringing activity. This refers to the absence of actual knowledge of the infringement, or not aware of facts or circumstances from which infringing activity is apparent, or upon gaining such knowledge or awareness, responds expeditiously to take the material down or block access to it.
- If the service provider has the right and ability to control the infringing activity, it must not receive a financial benefit directly attributable to such activity.
- Upon receiving proper notification of claimed infringement, the provider must expeditiously take down or block access to the material.
- The service provider must have filed with the Copyright Office a designation of an agent to receive notifications of claimed infringement.

### *Information location tools*

It refers to the acts of referring or linking users to a site that contains infringing material by using hyperlinks, online directories, search engines and similar tools.

### Conditions

- The provider must not have the requisite level of knowledge of the infringing activity. This refers to the absence of actual knowledge of the infringement, or not aware of facts or circumstances from which infringing activity is apparent, or upon gaining such knowledge or awareness, responds expeditiously to take the material down or block access to it.
- If the provider has the right and ability to control the infringing activity, it must not receive a financial benefit directly attributable to such activity.
- Upon receiving proper notification of claimed infringement, the provider must expeditiously take down or block access to the material.
- The service provider must have filed with the Copyright Office a designation of an agent to receive notifications of claimed infringement.

### **The Amount of Statutory Damages in Other Jurisdictions**

United States	Canada	Singapore
<p>For infringement which is neither willful nor innocent: US\$750 to US\$30,000 for all infringements involved in the action with respect to any one work.</p> <p>Where the infringer was not aware and had no reason to believe that his act constituted an infringement of copyright right (innocent infringement): not less than US\$200 with respect to any one work.</p> <p>For willful infringements : not more than US\$150,000 with respect to any one work.</p>	<p>CAD\$500 to CAD\$20,000 for all infringements involved in the proceedings with respect to any one work.</p> <p>Where the infringer was not aware and had no reason to believe that his act constituted an infringement of copyright right: CAD\$200 to CAD\$500 with respect to any one work.</p> <p>Where a medium contains more than one copyright work and if the application of the general rule results in an award of statutory damages that is disproportionate to the seriousness of the infringement: the court may award less than the minimum amount specified.</p> <p>Collective societies that license the use of works in which copyright subsists may recover, as statutory damages, 3 to 10 times of the value of the royalties, as the court considers just.</p>	<p>Not more than SGD\$10,000 for each work in respect of which the copyright has been infringed. The aggregate statutory damages cannot exceed SGD\$200,000 unless the plaintiff proves that his actual loss from such infringement exceeds that amount.</p>