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**HONG KONG GROUP OF THE ASIAN PATENT  
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**RESPONSE TO PUBLIC CONSULTATION PAPER ON  
UPDATING HONG KONG'S COPYRIGHT REGIME**

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*The Hong Kong Group of the Asian Patent Attorneys Association (HKAPAA) has been established and active in the field of Intellectual Property (IP) for 48 years. It is the de facto body for IP professionals in Hong Kong. Its members include the most experienced IP professionals in the field including solicitors, barristers and overseas qualified patent agents and attorneys. It has a close relationship with the Hong Kong Intellectual Property Department and connections with Government and Non-Government Organizations within the Intellectual Property community around the world, notably being officially recognised as an observer by the World Intellectual Property Organization (WIPO).*

**Summary - HKAPAA supports the proposals**

HKAPAA has been one of the leading voices encouraging the government to take urgent steps to bring Hong Kong's copyright law up to date and broadly supports taking the amendments proposed in the Copyright (Amendment) Bill 2014 as the starting point and basis for the update. The relevant provisions and principles were previously exhaustively considered over many years and do not need to be reinvented.

There is a pressing need for a technology-neutral communication right backed by criminal sanctions with suitable safeguards. We further support the proposed safe harbour provisions for ISPs, the new exceptions, the introduction of fair dealing in the realm of parody, etc., and the additional factors for assessing additional damages.

We are less certain on the need to depart from Hong Kong's existing exhaustive approach to fair dealing exceptions and contractual freedom to override exceptions. Likewise we do not favour exceptions particularly directed to User Generated Content (UGC), the scope of which would be very difficult to define.

Outside the parameters of the 2014 Bill, we also wish to highlight certain hot topics that should be included in the next round of consultation. Due to the passage of time since the 2014 Bill, the need for further updating in all these areas is inevitable and should not be delayed. Preferably these issues should be addressed and any proposed reforms included as part of a new Copyright Bill rather than being limited to the content of the 2014 Bill. However, we appreciate that some topics are more controversial than others and priority should be given to early implementation of the less controversial matters.

## **Background**

25 years ago, with the passing of the Copyright Ordinance in 1997, Hong Kong was at the forefront in recognising the international importance of copyright law with its borderless approach to copyright subsistence<sup>1</sup>.

Hong Kong was in 1997 one of the first jurisdictions to recognise the importance of the Internet and legislated for a technologically neutral communication right, but limited to civil liability<sup>2</sup>.

The last substantive amendments to the Copyright Ordinance were in 2007 (introducing a new civil liability against persons who circumvent technological measures used for copyright protection, but relaxing some criminal restrictions and introducing new exemptions in the educational sector and for persons with print disability<sup>3</sup>), and in 2009 (introducing offences in relation to making for distribution or distributing on a regular or frequent basis infringing copies of copyright works in printed form contained in books, etc.).

On the other hand, in the digital environment, despite extensive consultation on the issue going back to 2006 and advances in copyright law internationally, there has been no substantive

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<sup>1</sup> Section 177 and 178 of the Copyright Ordinance provides that copyright subsists in a work, *inter alia*, if published or broadcast in Hong Kong *or elsewhere* or if the author is an individual domiciled or resident or having a right of abode in Hong Kong *or elsewhere*; or a body incorporated under the law of *any country, territory or area*.

<sup>2</sup> Section 26 of the Copyright Ordinance imposes civil liability for the act of "making available of copies of the work to the public by wire or wireless means, in such a way that members of the public in Hong Kong or elsewhere may access the work from a place and at a time individually chosen by them (such as the making available of copies of works through the service commonly known as the INTERNET)".

<sup>3</sup> Updated by the Copyright (Amendment) Ordinance 2020, to bring in line with the standards of the Marrakesh Treaty.

progress, largely for the political reasons as outlined in the consultation paper. This has left Hong Kong well behind its competitors in encouraging and protecting both local and international creative industries.

To take one example close to home, Singapore notably amended its copyright laws, most recently in September 2021 to include provisions, inter alia, on dealings in set-top boxes for facilitating copyright infringement, and the use of copyright material for computational data analysis. Following its accession to the US – Singapore Free Trade Agreement in 2003, Singapore has already criminalised wilful acts of copyright infringement, including its existing communication right, where the extent of the infringement is significant and/or where committed to obtain a commercial advantage<sup>4</sup>. Significantly, Mainland China similarly added a right of communication under its 2021 amended Copyright Law<sup>5</sup>.

### **The need to update copyright law**

In order to reinforce Hong Kong's role as the regional IP trading centre, it is of paramount importance that its copyright regime is up-to-date and in line with all major overseas jurisdictions. We observe that the failure up to now to enact amending legislation has been less due to lack of popular support, but as a result of a misunderstanding as to its effects and how its criminal provisions might be enforced. We did not, and do not now, share those concerns and believe they were misplaced.

The 2014 Bill (and its 2011 predecessor) represented a good consensus and compromise of the various public and private interests. Adopting the provisions of the 2014 Bill should address those interests, bring Hong Kong's copyright regime more in line with international standards, and allow the drafting of the amendments to proceed quickly.

### **Key Issues**

#### Communication right and criminal liability

Specifically, the proposed amendments address major lacunae in our copyright regime. It is high time that Hong Kong introduces a technology-neutral communication right to address copyright issues arising from new technology such as streaming (especially important in the 5G world). Looking at other major overseas jurisdictions, similar communication rights have long been introduced and we are well behind other jurisdictions – EU (2001), Australia (2001), UK (2003), Singapore (2005), New Zealand (2008), Canada (2012) and China (2021)

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<sup>4</sup> Singapore Copyright (Amendment) Act 2004, which came into force on 1 January 2005.

<sup>5</sup> Article 10(12) of the Copyright Law of the People's Republic of China effective 1 June 2021 adds "the right of communication through information network, that is, the right to make a work available to the public by wire or by wireless means, so that the public may have access to the work at time and place chosen by them."

Including the communication right within the ambit of the existing criminal provisions, with suitable safeguards, is also supported.

#### New exceptions

We support the introduction of new exceptions so as to balance interests in the areas of parody, etc., current events, quotations, online learning, libraries, archives and museums, and media shifting of sound recordings. However with regard to the latter, it should be clarified that the scope is clearly limited for private and domestic use and for the purpose of enabling it to be listened to at a more convenient time or place along the lines of the existing exception for broadcasts and cable programmes in section 79 of the Copyright Ordinance.

#### Safe harbour

Introducing safe harbour provisions for online service providers (“OSP”) underpinned by a voluntary Code of Practice is also welcomed. OSPs’ liabilities have long been a grey area in Hong Kong, whilst the US has provided exemption for liability under the Digital Millennium Copyright Act of 1998, and the EU adopted a similar approach in the Electronic Commerce Directive 2000. Singapore mirrored the DMCA in its Copyright Act 2004 amendments and many countries have across the board safe harbour provisions for OSPs.

The terms of the Code of Practice should also be reviewed with relevant industry interests in the light of schemes elsewhere, including graduated response notices, combined with effective remedies such as site-blocking (see below), rather than the more cumbersome proposed “notice and notice” scheme.

#### Additional damages

The proposed additional factors in assessing additional damages based on the infringer’s knowledge and widespread circulation of infringements are likewise supported, though we would also wish to see statutory (or a range of) damages introduced for greater certainty in the case of flagrant infringements bearing in mind the lengthy and costly process of an enquiry as to damages.

### **Other Issues**

#### Exhaustive Approach to Exceptions

The issue may be further considered, but we are currently in favour of maintaining the exhaustive exception approach as providing greater legal certainty and continuity.

#### Contract Override

We agree that freedom of contract plays a vital role in Hong Kong’s free market economy and that copyright law should not be the vehicle for overriding that principle. Introducing such a provision for some exceptions may complicate contractual provisions in other areas, such as copyright ownership, where the rights may be established by agreement, or where rights may

be circumscribed by waiver or licence. We do understand the rationale that the terms of any contract overriding exceptions should be fair and reasonable (as provided under the Singapore 2021 amendment), but consider this is best governed under contract law. The issue may be further addressed in view of international developments, including in the UK and EU which disallow contract override for certain specific exceptions (e.g. the use of computer programmes and databases, text and data mining, print disability, selected exceptions relating to educational use, etc.).

### Illicit Streaming Devices

This issue should be kept under review. Singapore's introduction in 2021 of a provision to prohibit commercial dealing in STBs that have the commercially significant purpose of using or facilitating access to infringing works has been justified as facilitating enforcement and encouraging consumers to use of works from legitimate sources. Hong Kong should not be shy to ramp up its enforcement regime or risk losing any competitive advantage and being seen as a relative haven for infringing businesses.

### Judicial Site Blocking

This merits further consideration, noting that copyright specific judicial site blocking has been introduced in Singapore, Australia and the UK. Currently, an injunction may be granted by the court against infringers to stop infringing activity and remove online infringing content. In practice, enforcement has been proven difficult, particularly if the websites are operated and hosted out of Hong Kong, and the infringers are uncooperative.

It is noted that there are concerns that any new provision might lead to public concerns over potential abuse which might result in an adverse impact on freedom of access to information. These concerns may be addressed as in the UK where the court may, in deciding whether to grant the order, consider a list of factors, including necessity, effectiveness, dissuasiveness, complexity and cost, avoidance of barriers to legitimate use, fairness, balance between fundamental rights, proportionality and safeguards against abuse.

### Extension of copyright term of protection

Bearing in mind Hong Kong's borderless qualification for copyright subsistence, consideration should be given to extending copyright terms at least on a reciprocal basis with those jurisdictions that have or will extend protection to the life of the author plus 70 years (and in some cases longer). A number of these are significant jurisdictions including Australia, Japan, Singapore, South Korea, UK, US and EU. By failing to keep up with international trends, including in Asia, Hong Kong risks being out of step with these jurisdictions and risks being bypassed in terms of R&D. For the same reason, extension of copyright terms may be considered for particular sectors such as the recorded music industry, where 70 years has become the norm adopted by over 60 jurisdictions, and retaining a shorter term of protection in Hong Kong will discourage its creative industries.

### Introduction of specific copyright exceptions for text and data mining

We note that this issue has been addressed in other jurisdictions including the EU, UK, Japan, Singapore, and is being discussed in Australia, Canada and New Zealand. Unlike in the EU and UK, Hong Kong has no sui generis database right<sup>6</sup>, nor does the Copyright Ordinance specifically cover databases<sup>7</sup>, unlike the the UK Copyright, Designs and Patents Act 1988, for example, that defines a database as “a collection of independent works, data or other materials which are arranged in a systematic or methodical way, and are individually accessible by electronic or other means”<sup>8</sup>. Accordingly, we consider that the introduction of a text and data mining exception should be combined with an amendment to cover databases together with the introduction of any sui generis database right.

### AI and copyright

AI is one of the fastest developing areas of technology. According to section 11 of the Copyright Ordinance, in the case of a literary, dramatic, musical or artistic work which is computer-generated, the author is taken to be the person by whom the arrangements necessary for the creation of the work are undertaken. However, AI authorship is not recognized in other types of copyright works and further provisions may be introduced to provide a more complete legal regime. This could include provisions to clarify who is responsible for copyright infringement resulting from AI created content. The use of third party copyright works, such as data and images, by AI systems for machine learning purposes can be looked when considering the text and data mining exception.

### Copyright Register

The Copyright Ordinance provides for proof of subsistence and ownership of copyright, inter alia, by way of an affidavit by or on behalf of the copyright owner which states that the copyright work has been registered with a prescribed Copyright Register, exhibiting a true copy of the certificate of registration<sup>9</sup>. There have been some industry calls for setting up a copyright register in Hong Kong and to allow such registers (as in US and China) to be used in evidence as proof of subsistence and ownership. We would support further consideration of this issue.

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<sup>6</sup> The UK Copyright and Rights in Databases Regulations 1997 defines a database as "a collection of independent works, data or other materials which

(a) are arranged in a systematic or methodical way, and  
(b) are individually accessible by electronic or other means.

<sup>7</sup> Section 4 Copyright Ordinance defines a literary work as including “a compilation of data or other material, in any form, which by reason of the selection or arrangement of its contents constitutes an intellectual creation, including but not limiting to a table.

<sup>8</sup> Section 3A CPDA 1988

<sup>9</sup> Section 121 (2) and (16) Copyright Ordinance “The Secretary for Commerce and Economic Development may by regulation prescribe the Copyright Registers for the purpose of subsection (2)”.

### Orphan works

Hong Kong may consider whether to introduce legislation to allow the use of works whose authorship or ownership cannot be readily ascertained. Currently this is limited to anonymous or pseudonymous works that are assumed to be out of copyright. It is, however, noted that schemes for orphan works introduced elsewhere have not been particularly successful.

### Copyright/registered design dual protection and unregistered design rights

Hong Kong's laws on dual protection for designs as copyright works and registered (or registrable) designs are unclear. This is further complicated by the need to register some designs to obtain longer protection, but without any real examination of the novelty of such designs. The introduction of an unregistered design right (mainly to protect the designs of manufactured products) would help to simplify the process and provide short term protection for designers. A review of the relevant provisions and introduction of such a right is desirable.

### Copyright Tribunal

We consider that the functions and powers of the Copyright Tribunal merit review. We would also be supportive of expanding the powers of the Tribunal to include jurisdiction for a range of copyright disputes, and even further exploring the introduction of an Enterprise Court for copyright and other IP rights to deal with straightforward cases more cost effectively using streamlined procedures.

### Copyright (Libraries) Regulations

This outdated legislation, originally made under the Copyright Act 1956, governs the use and provision of copies of copyright material by libraries in Hong Kong and is overdue for updating.

### Conclusion

This initial response is by no means comprehensive and HKAPPA will be pleased to be included in further detailed discussions of the issues and proposed amendments. HKAPAA wishes to see early implementation of updating legislation, taking the 2014 Bill as a starting point. We also urge the Government to give serious consideration to the other topics we have raised and introducing appropriate legislation to address these other issues as soon as possible so as to ensure Hong Kong is not left behind other jurisdictions that are actively developing this important area of law.

Yours faithfully

  
Rebecca Lo  
President

The Hong Kong Group of  
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