

Hong Kong – A role model in intellectual property protection

COMMERCE, INDUSTRY AND TECHNOLOGY BUREAU INTELLECTUAL PROPERTY DEPARTMENT CUSTOMS AND EXCISE DEPARTMENT

*Those were the days:
when culprits were recording illegally, yet blatantly, in cinemas.
when people were unashamedly buying counterfeit goods.*

November 13, 2002, was a day celebrating Hong Kong's treasures of intellectual property – it was a day testifying that Hong Kong's once flagrant piracy activities were reduced to a bare minimum.

In recognition of Hong Kong Special Administrative Region (HKSAR) Government's stringent efforts over the years in protecting Intellectual Property Rights (IPR), the United States-based Business Software Alliance (BSA) presented the world-acclaimed Cyber Champion Award to Mr Henry Tang (the former Secretary for Commerce, Industry and Technology and now the Financial Secretary).

The president and CEO of BSA, Mr Robert Holleyman, regarded Hong Kong's contribution as a role model to other Asian countries:

".....(T)he Hong Kong government is sending a strong signal to the local community and the rest of Asia about the importance of intellectual property protection to the development of a robust economy."

The Cyber Champion Award is presented to leaders whose public policy efforts have had a notable and lasting impact on the future of the global technology economy. HKSAR Government was honoured in recognition of its solid legislative framework and vigorous enforcement actions in combating the illegal use of software.

"The prestigious award was a boost to our morale," said Ms Ada Leung, Assistant Director of Intellectual Property Department (IPD).

"We are glad that our position as one of the role models of IPR protection in the world is recognised globally. It is a clear statement of the world's software industry's recognition and appreciation of the work we have done in IPR protection."

Also widely recognised are our outstanding enforcement records in the combat against IPR infringement. The achievements of the Customs and Excise

Department (C&ED), our enforcement agent on IPR laws, were praised in 2001 when the department received the prestigious Global Anti-counterfeiting Award at the 10th Authentication & Counterfeiting Protection Conference in Prague.

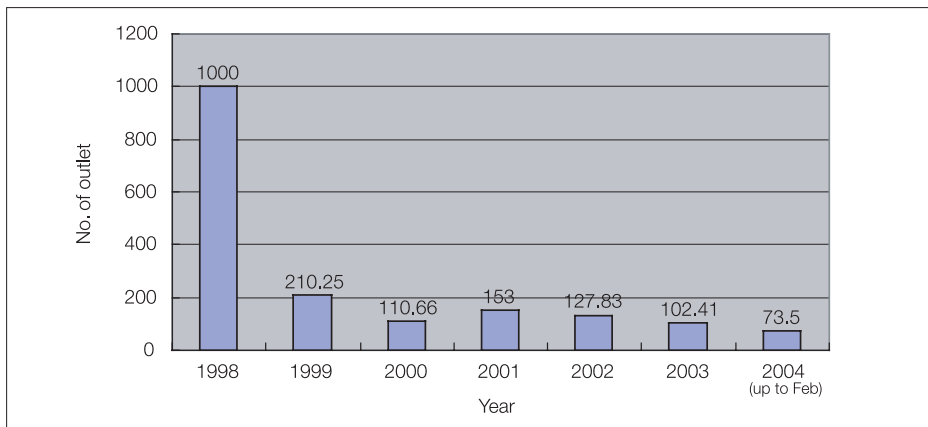
In a press release issued by the awarding body, C&ED was cited as a role model for IPR law enforcement in the region:

“This outstanding government department deploys more than 400 officers to protect Intellectual Property Rights and to eliminate the counterfeiting of videos and other products. The World Customs Organisation regularly invites Hong Kong Customs experts to help train other Asian authorities on anti-counterfeiting programs.”

Drastic drop in IP-related crimes

In 1997, Hong Kong was placed on the 301 Watch List created by the United States Trade Representative, the principal trade policy adviser to the US President. This indicated that from the perspective of one of our major trading partners, Hong Kong had problems with IPR protection, enforcement or market access for people relying on intellectual property.

The government quickly addressed this serious issue and was determined to enhance the protection of IPRs. In 1998, the then Trade and Industry Bureau, IPD and C&ED worked together to enact and implement a series of amendments to the copyright related legislation. These include the amendment to the Import and Export Ordinance in 1997 to introduce a licensing requirement for import and export of optical disc mastering and replication equipment, and the enactment of the Prevention of Copyright Piracy Ordinance to introduce a compulsory registration system for optical disc manufacturers and a mandatory requirement for all locally manufactured optical discs to bear a unique identification code. In 1998, the C&ED also set up a Special Task Force to target pirate optical disc outlets.



Yearly average of pirated optical disc (POD) outlets in the market.

With the enactment of laws in 1997 and 1998 and with more vigorous enforcement, C&ED statistics showed that the number of outlets selling pirated optical discs had been slashed by 93% from 1,000 in 1998 to about 70 in February, 2004. Daily stock of pirated optical discs kept by the outlets has also been reduced by 99.6% from 4,500,000 in 1998 to about 18,200 in February, 2004. In 1999, Hong Kong was removed from the 301 Watch List.

There is no longer any large-scale pirated optical discs manufacturing activity in Hong Kong. Those remaining now operate only in a stealthy manner with limited business activity.

Active participation in APEC as a lead economy

Hong Kong's successful experience in protecting IPR has been recognised by the Asia-Pacific Economic Co-operation (APEC) economies. Recently, it took part in the drafting of a set of guidelines on "Effective Practices for Regulations Related to Optical Disc Production" with the US as the lead Economy. In the document, Hong Kong's legislation is drawn on extensively as a model for other APEC Economies.

Ms Leung regarded the drafting of the APEC guidelines as an important milestone for Hong Kong. "We are committed to protecting IPR. It is important to Hong Kong's economic growth, especially given our rapid transformation into a knowledge-based economy. We would like our trading partners to know that creative ideas and original designs are what we cherish."

The government understands that to successfully combat piracy, it is vital to enhance public awareness. As early as 1997, the department started its public education efforts in earnest. Hong Kong's achievements in intellectual property public education have been recognised internationally.

At the APEC Intellectual Property Experts Group, Hong Kong is one of the two lead economies on public awareness issues. IPD was honored to organise the international symposium in 2002 in Hong Kong to share knowledge and experience on promoting IPR protection with other economies.

Public awareness enhanced

Over the years, IPD has designed and produced many impressive posters, TV clips, radio advertisements and websites and has spread the message of IPR protection through the mass media which have proved to be a very effective channel for promoting IPR protection. Some promotional themes and slogans are so impressive that they are still remembered and talked about many years later.

People used to have little idea of what "intellectual property" was about. As a result, they might have unknowingly committed IPR-related offences or infringements. The situation has changed. Through the combined efforts of the IPD, Customs and Excise Departments and other government departments and related organisations, public awareness of IPR has increased substantially.

The fifth annual survey commissioned by the IPD in 2003 revealed that Hong Kong people were increasingly aware of IPR with 92.2% of respondents considering that it is necessary to protect intellectual property rights. Nearly half (47.8%) of respondents claimed that they had never bought pirated or counterfeit products.

"We find that people's attitude towards IPR has changed. The figures show that our efforts in public education continue to pay off," Acting Chief Intellectual Property Examiner of the IPD Mr John Wong said.

Publicity campaign "Hong Kong – The Real Experience"

In order to further enhance the public awareness and project the positive image of Hong Kong as a shopping paradise, IPD and C&ED, together with the Travel

One of the posters from an IPR awareness promotion.



Industry Council of Hong Kong (TIC), the Hong Kong Tourism Board (TB) and the Consumer Council (CC) jointly launched the large-scale promotion campaign “Hong Kong – The Real Experience” in early 2004.

The campaign consists of a series of programmes, including Announcement in Public Interest on TV, seminars, and exhibition, aimed at promoting public confidence in the integrity of Hong Kong traders. It shows the commitment of HKSAR Government and industries to fighting piracy and counterfeiting activities. Participating retail merchants of the “No Fakes” Pledge Scheme have committed not to sell or deal in counterfeit or pirated goods and to sell only genuine products. In March, 2004, more than 380 retail merchants covering 2,300 outlets have joined the scheme. They are identified by the display of the “No Fakes” labels at their shops.

A 30-minute TV documentary was co-produced by IPD and C&ED to promote the “No Fakes” scheme and the IPR Protection Alliance which was established to enhance liaison and co-operation between the government and IPR industry. The Alliance will help monitor and report any counterfeiting and piracy activities. The documentary was broadcast on TV in April 2004. For the purpose of disseminating the messages overseas, both the documentary and the content of the seminar will be uploaded for web broadcasting.

Well-planned public education program

IPD’s public awareness programmes cater to different sectors of the community through school visits, campaigns, media broadcasts, seminars, exhibitions and roadshows.

From 1997 to February, 2004, the department talked to 175,571 students through 494 visits to secondary schools as part of its IPR promotion programme. In April, 2003, IPD published a comic series targeting youngsters and students. The series carries 30 strips of crisp messages on different IP subjects with lively and attractive graphics. The series is also available online at <http://www.info.gov.hk/ipd>.



Online version of the comic series on IPR.

The appointment of popular artiste Andy Hui as the IPR Protection Ambassador, has given IPD a head start in launching the “I Pledge” campaign which encourages consumers to pledge to buy only genuine goods. More than 8,000 people, mostly youngsters, have so far made the pledge.

“We want to nurture a self-discipline attitude and culture to keep people away from pirated and counterfeit products,” Mr Wong said.

“Given the limitation of resources, it is cost-effective to reach out to a wider audience through the Internet. In late 2003, we launched an online teaching kit suitable for primary and secondary students and published a supplementary guidebook for teachers.”

The weblink is <http://www.ip-kids.gov.hk>.

Way forward

“We expect to see a plethora of inventions and other creative endeavours undertaken in Hong Kong. We will keep up our efforts to promote and protect IPRs so that Hong Kong remains a place where creativity and talent can flourish,” Mr Wong said.