

Immediate Release

***Hong Kong Government and Software Industry Join Forces
to Fight Business End-user Piracy***

Hong Kong (Monday, September 4, 2006) – The Intellectual Property Department (IPD), Customs and Excise Department (C&E), and Business Software Alliance (BSA) (collectively, the “Organizers”) today announced the launch of the Genuine Business Software Campaign. This Campaign, which will be rolled out in phases, includes software legalization and education initiatives that promote copyright protection and corporate governance.

Software piracy refers not only to the illegal reproduction and sale of copyrighted software (commonly known as ‘counterfeiting’), but also includes the use of unlicensed software by businesses. Business end-user piracy can take a number of forms, including:

- A company deploying one licensed copy of software across multiple computers and under-reporting its licensing needs.
- An employee casually downloading illegal software for use in the workplace.
- A business taking advantage of ‘upgrade’ licenses without having a legal copy of the version to be upgraded.
- An entity miss-using academic, OEM, developer or other restricted software.
- A company using a ‘multiplexing device’ on the false understanding that this may reduce the number of software licenses it will require.

The Campaign aims to enhance information technology governance among companies, and to empower them with the know-how to better manage those assets through effective Software Asset Management.

A key element of the Campaign is a series of Business Software Asset Management Seminars made available free of charge for participants of the Campaign.

Another key element of the Campaign is the Business Software Legalization Program - a unique, limited-period program that encourages organizations to take stock of their software assets and acquire legitimate licenses to remedy any shortfall or discrepancies, in return for the peace of mind that only comes with genuine software use.

The Business Software Legalization Program is open to participants from September 4 to October 31, 2006. Under the Program, BSA assures participants that BSA will not initiate in Hong Kong any end-user legal actions whether civil proceedings or by lodging any criminal complaints with relevant government enforcement authorities on any information received by BSA on the alleged use of illegal BSA member companies' software during a 6-month assurance period. In addition, information about a participant's acceptance into the Program, and any subsequent legalization efforts by the participant, will be shared among the Organizers. The sufficiency and nature of evidence against an infringer is one of the factors that C&E will take into consideration in the course of its enforcement of the *Copyright Ordinance*.

"Investigations conducted into end-user piracy cases since 2001 have yielded a total of 128 cases, with 184 persons arrested and 1,016 sets of computers seized. To win the war against piracy, support from the software industry is indispensable. Therefore, C&E endorses the launch of the Business Software Legalization Program with a view to facilitating corporate software legalization and raising awareness in the community about the Government's commitment to stamping out piracy. We strongly urge companies to participate in this unique and limited-period program to 'get their house in order', and remedy any licensing issues they may have. C&E remains committed to taking enforcement action against the use of pirated or unlicensed software," said Ben Ho, Head of C&E's Intellectual Property Investigation Bureau.

"Some companies deploy counterfeit or unlicensed software onto their computers without knowing the serious consequences that can arise. Oftentimes, business owners do not know how to guard against these risks, or what to do when they discover they have inadvertently committed an offence. This is where participation in the Business Software Legalization Program can help," Tarun Sawney, BSA's Director of Anti-Piracy, said. "Use of legitimate software not only protects companies from any unnecessary legal liabilities and IT security risks, but also boosts their efficiency and profitability in the long run."

"An IDC/BSA global software piracy study released in May 2006 found that more than half of the personal computers in Hong Kong are installed with pirated software. The study has highlighted the urgent need for the Hong Kong community to take serious measures to address the problem of business end-user piracy. The piracy rate represents an economic loss of over US\$112 million and a real barrier to the development of Hong Kong's knowledge economy. The BSA is excited to be partnering with the Government on the Campaign and our joint mission to foster innovation through combating this form of piracy," Mr. Sawney said.

Mr. Stephen Selby, Director of Intellectual Property, said, “Companies enrolled in the Program are also entitled to attend the Business Software Asset Management Seminars aiming at educating the business community about the risk of using unlicensed software, the full value of their software assets and proper software asset management practices in the workplace. To encourage more business compliance on copyright, IPD has also prepared a circular for business executives to distribute to their employees. The circular outlines certain existing provisions of the Copyright Ordinance that all employees should pay attention to when discharging their duties and it is now available at IPD website www.ipd.gov.hk.

“Protection of intellectual property is crucial to Hong Kong as it is striving to foster innovation and creativity, which is a prerequisite for building a knowledge-based economy. We fully support Government and industry efforts in raising general awareness of the importance of copyright protection and intensifying law enforcement,” Mr. Selby said.

Actor Bobby Au Yeung and Genuine Software Advocate said, “Intellectual property protection is the driving force behind Hong Kong economic growth, and impacts not just the movie and music industries, but also software and IT services. When the public takes steps to promote copyright protection, just about everyone in Hong Kong stands to benefit from it. I am glad that I can participate and take the lead as a Genuine Software Advocate in this program to encourage the public to participate.”

Echoing Mr Au Yeung, actress Yoyo Mung, also a Genuine Software Advocate, said, “Intellectual property protection will serve to provide more jobs for employees, more choices for consumers and more business opportunities for entrepreneurs. It will fuel more creative ideas for movie and music producers and more innovations for software designers. The Government will in turn benefit from increased tax revenue. As a citizen of Hong Kong, I am fully committed to supporting this Campaign in driving down software piracy within businesses.”

In conjunction with the Campaign, a website (www.hkgbsc.com) has been launched to allow the public to learn more about the Business Software Legalization Program and Business Software Asset Management Seminars.

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About BSA

The Business Software Alliance (www.bsa.org) is the foremost organization dedicated to promoting a safe and legal digital world. BSA is the voice of the world's commercial software industry and its hardware partners before governments and in the international marketplace. Its members represent one of the fastest growing industries in the world. BSA programs foster technology innovation through education and policy initiatives that promote copyright protection, cyber security, trade and e-commerce. BSA members include Adobe, Apple, Autodesk, Avid, Bentley Systems, Borland, CNC Software/Mastercam, Internet Security Systems, McAfee, Microsoft, Minitab, PTC, SolidWorks, Sybase, Symantec, The MathWorks, Trend Micro and UGS. Local members in Asia include Agilent (Taiwan), Altium (China), Andal Software (Indonesia), ARM (Taiwan), Biztrak (Malaysia), Check Point Software (China), Cimatron Technologies (Taiwan), Electric Angels (Malaysia), Innodium (Malaysia), Justsystem (Japan), Morisawa (Japan), National Instruments (Taiwan), Orbotech (Taiwan), SAP (Taiwan), Software Industry Information Centre (Hong Kong), Syscom Computer (Taiwan) and UBS Corporation (Malaysia).

About IPD

To underline our commitment to intellectual property protection, the government established the Intellectual Property Department (www.ipd.gov.hk) on 2 July 1990. The Intellectual Property Department is responsible for advising the Secretary for Commerce, Industry and Technology on policies and legislation relating to the protection of intellectual property in the Hong Kong SAR; for operating the Hong Kong SAR's Trade Marks, Patents and Registered Designs Registries, and for promoting intellectual property protection through public education.

About C&E

The Customs and Excise Department (<http://www.customs.gov.hk>) is the primary enforcement agency against criminal infringements on copyright and trademark. It maintains vigorous enforcement actions against intellectual property right offences through intelligence-led investigations and repeated raids conducted at different levels, including import and export, manufacture, distribution and retail. Apart from responding to complaints from IPR holders, Customs also take proactive action to deal with the piracy and counterfeiting activities prevailing in Hong Kong.

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