For Immediate Release
October 26, 2005

HONG KONG COURT HANDS PIRATE FACTORY OWNER 18 MONTHS JAIL TERM

Forfeiture of Two DVD Production Lines 367,208 Pirate VCDs Also Ordered

Hong Kong / Encino – On October 17, a Hong Kong court sentenced Chan Kung-lam, the owner of a licensed DVD factory, to serve 18 months in jail and forfeit previously seized assets including two DVD production lines, 367,208 pirated VCDs, two stampers and two sets of mould heads.

The court also ordered Chan to pay a fine of HK$5 (US$0.64) per seized pirate VCD. The final amount of the fine is subject to a recount of the VCDs by Hong Kong Customs officials but is estimated at HK$1,836,040 (US$236,735).

The two DVD production lines were capable of producing as many as 7,000,000 pirated DVDs in one year, yielding revenues of as much as HK$210 million (US$26.9 million).

"Copyright piracy is a crime and this verdict reinforces that there is and should be a price to pay for illegal activity," said Mike Ellis, Senior Vice President, Asia-Pacific for the Motion Picture Association (MPA). **"Verdicts such as this one serve as a reminder of that, and hopefully work to reduce the number of young people who might be lured into criminal activity."**

Chan was arrested on January 9, 2004, following a raid by Hong Kong Customs and MPA representatives on Cheerluen Multi Media Limited in Hong Kong's Kowloon district. The raid was initiated based on information provided to Hong Kong Customs by the MPA in early January, and MPA representatives at the scene confirmed that one stamper and 18,208 VCDs were infringing six MPA member company titles, and Chan and seven workers were arrested.

The defendants were charged with copyright offenses in May 2005 and pleaded not guilty. The MPA provided evidence to the prosecutor and testimony during the trial.

Piracy in Asia

The MPA estimates that its member companies lose in excess of US$896 million in potential revenue annually in the Asia-Pacific region alone. In 2004, the MPA operations in the Asia-Pacific region investigated more than 25,500 cases of piracy and assisted law enforcement officials in conducting nearly 12,000 raids. These activities resulted in the seizure of approximately 49,000,000 illegal optical discs, and the initiation of more than 8,000 legal actions.

About the MPA: *The Motion Picture Association (MPA) represents the interests of major motion picture companies in the global marketplace. On behalf of its Member Companies, the MPA conducts investigations around the world, assists with the criminal and civil litigation generated by such cases, and conducts education outreach programs to teach movie fans around the world about the harmful effects of piracy. The MPA directs its worldwide anti-piracy operations from its headquarters based in Encino, California and has regional offices located in Brussels (Europe, Middle East and Africa), São Paulo (Latin America), Montreal (Canada) and Singapore (Asia-Pacific). The MPA's anti-piracy activities have helped to transform entire markets from pirate to legitimate, benefiting video distributors, retailers, and foreign and local filmmakers alike. The MPA Member Companies include: Buena Vista International, Inc.; Metro-Goldwyn-Mayer Studios Inc.; Paramount Pictures Corporation; Sony Pictures Releasing International Corporation; Twentieth Century Fox International Corporation; Universal International Films, Inc.; and Warner Bros. Pictures International, a division of Warner Bros. Pictures Inc.*

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