



NZFACT

NEW ZEALAND FEDERATION AGAINST COPYRIGHT THEFT



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FEMALE PLEADS GUILTY TO PRODUCING AND SELLING PIRATED MOVIES AND TV SHOWS

*Operator of Internet-based Piracy Operation Receives Community Service,
Reparation and Forfeiture Orders*

Auckland: Today District Court Judge Recordon, at the Henderson District Court, sentenced Jiehui Xu, a 26-year-old unemployed woman, to 200 hours of community service, a damages payment of \$3,000, and forfeiture of all confiscated DVDs and computer equipment. Xu pleaded guilty to a number of charges related to the manufacture and sale of pirated movie DVDs:

- (a) Five charges of dealing / selling an object (section 131(1)(e).
- (b) Accessing a computer for a dishonest purpose (section 249(1)(a) Crimes Act 1961).
- (c) Possession of infringing objects (section 131(1)(c) Copyright Act 1994).
- (d) Possession of equipment to make infringing objects (section 131(2)(b) Copyright Act 1994).

The charges arose from a 29 August 2008 raid conducted on Xu's New Lynn home by Henderson Police's Henderson Criminal Investigation Bureau. Police seized computer equipment and more than 4,000 suspected pirated movies on DVD. Included in the seizures were seven hard drives containing a massive library of movies and TV shows which could be burned on to optical discs.

The raid followed a joint investigation by Police and investigators from the New Zealand Federation Against Copyright Theft (NZFACT) after NZFACT investigators became aware of a Chinese language website offering for sale digitally formatted products including movies, TV series, adult movies, cartoons, electronic games and music videos.

During the course of the investigation numerous purchases of pirated movies were obtained from Xu including US movies, Hong Kong TV series and a

Japanese animated movie. NZFACT member films included *Meet the Spartans*, *Alvin and the Chipmunks* and *Lumper*, all titles on cinematic release at the time they were bought.

Detective Constable McLeod of the New Zealand Police led the investigation into Xu's activity. Speaking after Xu's conviction, McLeod said "People should be clear that the New Zealand Police force takes movie piracy and other intellectual property infringement seriously. If you break the law you will face the consequences and those consequences can be serious."

"We commend the excellent work done by the New Zealand Police in this investigation," said Tony Eaton, Executive Director of NZFACT. "The professionalism of the investigation left this defendant with no option but to plead guilty. Anyone involved, or contemplating involvement, in piracy should take note of this case. You will be investigated, caught and convicted."

The unauthorized distribution and manufacturing of films on DVD or other media is an infringement of New Zealand's Copyright Act. Anyone who commits an offence under the Act faces up to five years imprisonment or a fine of up to \$10,000 for every infringing copy (up to a maximum of \$150,000 in respect of the same transaction). Reparation may also be ordered where the offence involves the making of a profit or gain.

Piracy in New Zealand

A study undertaken by independent research firm LEK Consulting on behalf of the Motion Picture Association (MPA) showed that piracy cost the film industry in New Zealand an estimated 25 percent of the potential market in 2005. \$70 million. Internet piracy via P2P file-sharing networks is a significant concern and accounts for the majority of New Zealand movie industry losses. An estimated \$33 million in lost consumer spending in 2005. NZFACT represents the MPA in New Zealand.

About NZFACT: *The New Zealand Federation Against Copyright Theft was established in 2005 by the Motion Picture Association to protect the film industry in New Zealand from the adverse impact of copyright theft. NZFACT works closely with its members, government and enforcement authorities to protect the New Zealand film and television industry, retailers and movie fans. NZFACT members include: Walt Disney Studios Motion Pictures, New Zealand; 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.*

NZFACT works in association with the Motion Picture Association, which represents the interests of the film industry across the world. NZFACT also has an alliance with the Recording Industry Association of New Zealand to share information regarding copyright infringement, and is a member of the recently-formed Anti Counterfeiting Group, which represents the interests of New Zealand's major intellectual property stakeholders, such as the music industry, computer software and publishing. NZFACT has a nationwide hotline that enables the reporting of film copyright theft 24 hours a day, 7 days a week: 0800 267 9744.

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