



NEWS RELEASE

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NZFACT WELCOMES PROGRESS ON AMENDMENTS TO COPYRIGHT LAW RELATING TO NEW TECHNOLOGIES

Hong Kong / Auckland: The New Zealand Federation Against Copyright Theft (NZFACT), representing the Motion Picture Association (MPA) in New Zealand, welcomed the announcement by Associate Commerce Minister Judith Tizard that recent amendments to copyright legislation will soon come into force. The amendments update New Zealand's copyright law to reflect current advances in digital technology.

While the Act will come into force on 31 October 2008, section 92A will be effective only on 28 February 2009 allowing time for rights holders and internet service providers (ISPs) to seek agreement on implementing regulations for it to be effective. Section 92A of the Act contains a requirement for internet service providers to have, and reasonably implement, a policy for termination of accounts of repeat copyright infringers in appropriate circumstances.

"We are pleased to see this important piece of legislation being enacted, providing the opportunity to enhance new ways to bring filmed entertainment to New Zealand audiences, the protection of exciting creative content that is being developed in New Zealand," said Tony Eaton, Executive Director of NZFACT. "We are looking forward to working with ISPs and other rights holders to ensure the law works to protect our creative industries and the jobs they create. Protecting copyright is good for innovation, good for business and good for New Zealand."

"ISPs are best placed to assist in the creation of this ideal safe digital environment as they have the ability to take steps to protect legitimate consumers and to reduce piracy" said Mike Ellis, President and Managing Director, Asia-Pacific for the MPA. "A graduated response system is a reasonable and fair approach that ISPs can implement which will promote the further development of new and existing business models offering a rich variety of content online".

"This legislation goes a long way towards protecting copyright owners in the digital environment and provides a good example for other governments in the region and around the world who may be contemplating similar issues. The New Zealand Government's recognition of the shared rights and responsibilities for the secure distribution of intellectual property rights over the internet is indeed welcomed and timely, and raises performance measurements for the world community to an even higher level."

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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.

Piracy in Asia

A comprehensive study aimed at producing a more accurate picture of the impact that piracy has on the film industry including, for the first time, losses due to internet piracy, recently calculated that the MPA studios lost US\$6.1 billion to worldwide piracy in 2005. About US\$2.4 billion was lost to bootlegging*, US\$1.4 billion to illegal copying* and US\$2.3 billion to Internet piracy. Of the US\$6.1 billion in lost revenue to the studios, approximate US\$1.2 billion came from piracy across the Asia-Pacific region, while piracy in the U.S. accounted for US\$1.3 billion.

In 2007, the MPA's operations in the Asia-Pacific region investigated more than 36,200 cases of piracy and assisted law enforcement officials in conducting nearly 13,000 raids. These activities resulted in the seizure of more than 31 million illegal optical discs, 40 factory optical disc production lines and 6,400 optical disc burners, as well as the initiation of more than 10,000 legal actions.

**Bootlegging: Obtaining movies by either purchasing an illegally copied VHS/DVD/VCD or acquiring hard copies of bootleg movies.*

**Illegal copying: Making illegal copies for self or receiving illegal copies from friends of a legitimate VHS/DVD/VCD.*

**Internet piracy: Obtaining movies by either downloading them from the Internet without paying or acquiring hard copies of illegally downloaded movies from friends or family.*

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.; Warner Bros. Pictures International, a division of Warner Bros. Pictures Inc and Roadshow Entertainment NZ Ltd.*

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. For more information about the NZFACT, please visit www.nzfact.co.nz.

About the MPA: *The Motion Picture Association and Motion Picture Association - International (MPA) represent 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 Los Angeles, 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.; 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. For more information about the MPA, please visit www.mpa-i.org.

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