

**Hong Kong Bar Association's comments on  
Consultation paper on the provision of additional exemptions  
on circumvention of technological measures**

**A. BACKGROUND**

1. This document relates to the issue of whether additional exemptions should be provided in relation to circumvention of technological measures (in addition to those stipulated under the proposed section 273D of the Copyright Ordinance). As the consultation is only related to the exemptions on circumvention of technological measures, consideration has not been given to whether the suggested additional exemptions should also apply to dealing in circumvention devices and the provision of circumvention services, which requires separate consideration.

**B. SUGGESTED EXEMPTION 1 – Obsolete Dongles**

2. The view of the Hong Kong Bar Association ('the Bar') is that this suggested exemption should be introduced for practical reasons as it protects the interests of legitimate users of computer programs whose right to use is handicapped by the malfunctioning of the dongles.
3. However, the wording of the exemption should be carefully drafted to ensure that the interests of copyright owners are not seriously prejudiced. In this regard, reference should be made to the latest corresponding legislation in both the US and in Singapore:-

US:- *"Computer programs protected by dongles that prevent access due*

*to malfunction or damage and which are obsolete. A dongle shall be considered obsolete if it is no longer manufactured or if a replacement or repair is no longer reasonably available in the commercial marketplace.”*

*Singapore:- “Any computer program to which access is controlled by means of an obsolete dongle that is damaged or defective...*

*A dongle shall be treated as obsolete if:-*

*(a) it is no longer being manufactured;*

*(b) it is no longer commercially available; or*

*(c) repair is no longer commercially available.”*

4. Upon comparing the different wording adopted in the two jurisdictions, it appears to the Bar that the wording of the US legislation should be preferred. One of the major differences in the wording is that in the USA, a dongle will be treated as obsolete if a replacement or repair is no longer *reasonably* available in the commercial marketplace, whereas the Singaporean exemption is more limited in the sense that it only applies when the dongle is no longer commercially available, i.e. it will not be sufficient even if the dongle is not reasonably available.
5. The importance of having such a notion of “reasonable availability” is that in an extreme case, repair may be commercially available but the time and costs involved in the repair may be totally out of proportion to the cost of the copyright work. In such a case, the relatively stricter wording adopted in Singapore may defeat the very intention of the exemption. It will be more flexible to adopt the

US approach and leave it to the Court to decide the issue of reasonableness, based on the facts of each case.

6. It should also be noted that in the USA, there was a proposal to expand this exemption to:-

*“Computer programs protected by dongles that prevent access due to malfunction or damage or hardware or software incompatibilities or require obsolete operating systems or obsolete hardware as a condition of access.”*

7. The said proposal was not adopted because it was not submitted in a timely manner.<sup>1</sup> Leaving aside the wording to be adopted, it appears to the Bar that in principle, if the exemption applies to dongles that prevent access due to malfunction or damage and which are obsolete, there appears to be no good reason why the exemption should not equally apply to dongles which prevent access due to the fact that the dongles require an obsolete operating system or obsolete hardware to work with, provided, of course, the terms “obsolete operating system” and “obsolete hardware” shall be interpreted in a similar way as “obsolete dongle”. In respect of “hardware or software incompatibilities”, this may stretch the exemption too far because of the difficulty in properly defining the term and as such, it should not be included in the exemption without careful consideration.
8. It might be argued that the proposal referred to in the preceding paragraph may already have been implied in the word “malfunction” and it is for the Court to

---

<sup>1</sup> See <http://www.copyright.gov/fedreg/2006/71fr68472.html>.

interpret the word and determine whether the facts of each case fall within such a definition on a case by case basis. However, if clear wording can be introduced at this stage, there appears to be no good reason why the matter should be left to the Court. It provides more certainty to parties intending to rely on the exemption.

9. In the premises, it is suggested that the following wording should be adopted in respect of this exemption:-

*“Computer programs protected by dongles that prevent access due to*

*(a) malfunction or damage of the dongles and that the dongles are obsolete;*

*(b) the fact that the dongles require an operating system or a hardware as a condition of access and that the said operating system or the said hardware is obsolete.*

*A dongle, an operating system or a hardware shall be considered obsolete if it is no longer manufactured or if a replacement or repair is no longer reasonably available in the commercial marketplace.”*

10. The Bar is of the view that this exemption should only apply in respect of access control measures but not copy control measures.

**C. SUGGESTED EXEMPTION 2 – OBSOLETE COMPUTER PROGRAMS & VIDEO GAMES**

11. The Bar is of the view that this exemption should be adopted to protect the Internet Archive. However, when the wording used in relevant legislation in the USA and in Singapore are compared, the exemption in the US legislation is more

restricted as it imposes an additional requirement that “*the circumvention is accomplished for the purpose of preservation or archival reproduction of published digital works by a library or archive*”.

12. This additional requirement seems to have been introduced in the USA to address concerns expressed by copyright owners.<sup>2</sup> However, applying the rationale in the case of dongles, it is difficult to see why the purpose of the circumvention should be relevant in considering whether this exemption applies. In fact, the introduction of such an additional requirement will provide quite an absurd outcome in that computer programs protected by dongles which are damaged and the replacement of which are no longer available will be exempted but computer programs which need to be run in a system which is no longer available will not.
13. The notion of “reasonable availability” in the US legislation (which is absent in the Singaporean counterpart) should also be preferred. (See paragraphs 4 and 5 above)

**D. SUGGESTED EXEMPTION 3 – LITERARY WORKS IN E-BOOK FORMAT WHICH PREVENT THE ENABLING OF EITHER THE READ-ALOUD FUNCTION OR THE SCREEN READERS FUNCTION**

14. The rationale of this exemption is to protect the interests of visually disabled persons to use e-books and the Bar is of the view that the exemption should be adopted accordingly.

---

<sup>2</sup> See <http://www.copyright.gov/fedreg/2006/71fr68472.html>.

**E. SUGGESTED EXEMPTION 4 – COMPILATION CONSISTING OF  
BLOCKED INTERNET LOCATIONS**

15. This suggested exemption is available in Singapore and was also available in the USA until 2006. However, the discontinuance of this exemption in the US was more attributable to the lack of evidence adduced by the relevant parties at the time, rather than to the principle behind the exemption.
16. The argument put forward in support of such an exemption was that the access control applied to the lists of blocked websites adversely affected the ability to comment on and criticize the lists and an exemption was granted on this basis. This being the rationale behind the exemption, it appears to us difficult, in principle, to justify the distinction sought to be drawn between censorware on the one hand and firewall, anti-virus and anti-spam software on the other (which are expressly excepted from the proposed exemption). The latter may also incorporate filtering functions and “over-block” like the former.
17. Accordingly, the Bar is of the view that the exemption should be provided but software which protects the computer and/or which prevents the receipt of spam emails should not be excepted.

**F. SUGGESTED EXEMPTION 5 – AUDIOVISUAL WORKS IN THE  
EDUCATIONAL LIBRARY**

18. Based on the discussion and arguments put forward in the USA, the Bar is of the view that this exemption should be adopted.

**G. SUGGESTED EXEMPTION 6 – FIRMWARE**

19. The purpose of this exemption is to prevent the abuse by telecommunication service providers of software locks to prevent customers from switching to another service provider after their contracts with their existing service provider expire. It has been adopted in the USA but not in Singapore. It appears that the exemption was not adopted in Singapore as it was considered unnecessary because telecommunication service providers there did not adopt the same measures as those in the USA to prevent customers from switching to other service providers.
20. The Bar is of the view that the exemption should be adopted as it is justified in principle and whether or not telecommunication service providers in Hong Kong *presently* adopt the same measures as those in the USA to prevent customers from switching to other service providers should not be determinative.

**H. SUGGESTED EXEMPTION 7 – TECHNOLOGICAL PROTECTION MEASURES WHICH CREATE OR EXPLOIT SECURITY FLAS OR VULNERABILITIES**

21. The Bar is of the view that this exemption is not necessary as what it addresses is already covered by the new section 273D(2) of the Copyright Ordinance.
22. Having said that, the Bar proposes that section 273D(2)(b) should be extended to acts done for the sole purpose of *repairing or providing maintenance* to a computer, computer system or computer network, as the case maybe.

**I. SUGGESTED EXEMPTION 8 – REPRODUCTION BY LIBRARY FOR RESEARCH, ETC.**

23. As the Copyright Ordinance contains provisions similar to section 49 of the Copyright Act in Australia, this exemption should also be provided in Hong Kong. It should apply both in the case of access control measures and in the case of copy control measures.

**J. SUGGESTED EXEMPTION 9 – COPY OF SOUND RECORDING FOR BROADCASTING**

24. As the Copyright Ordinance contains provisions similar to section 107 of the Copyright Act in Australia, this exemption should also be provided in Hong Kong. It should apply both in the case of access control measures and in the case of copy control measures.

**K. SUGGESTED EXEMPTION 10 – TECHNOLOGICAL PROTECTION MEASURE NOT OPERATING NORMALLY**

25. This exemption appears to be reasonable and necessary. However, uncertainty may arise as to what the phrase “*not operating normally*” means. Does the exemption apply only where the technological protection measure is itself actually not operating normally? Or does it also cover situations of incompatibility between the technological protection measure and other software or hardware components? If it covers the latter, the exemption might be too wide in scope and may easily be abused.
26. Thus, whilst the Bar is of the view that this exemption is justified, the Bar suggests the introduction of a clear definition of the phrase “*not operating*



*normally*” to ensure clarity. Further, in order to be consistent, the wording to be adopted in relation to the notion of “reasonableness” should be similar to the wording suggested in the case of dongles under Exemption 1 above.

**L. SUGGESTED EXEMPTION 11 – INTEROPERABILITY OF COMPUTER PROGRAM**

27. The exemption should have already been covered by the new section 273D(1)(c) of the Copyright Ordinance. However, the said section 273D(1)(c) only covers a situation where the act is done for the sole purpose of achieving interoperability of an independently created computer program with another computer program. Additional exemption should be provided where the act is done for the purpose of achieving interoperability of an independently created computer program with the operating system and hardware.

**M. SUGGESTED EXEMPTION 12 – REPRODUCTION BY EDUCATIONAL INSTITUTION**

28. As the Copyright Ordinance provides for permitted acts for the purposes of education (albeit differently from the provisions in the Australian Copyright Act), it appears to the Bar that in principle this exemption should also be provided in Hong Kong. It should apply both in the case of access control measures and in the case of copy control measures.

**N. SUGGESTED EXEMPTION 13 – ASSISTING PERSON WITH A PRINT DISABILITY**

29. As the Copyright Ordinance now provides for permitted acts in relation to assistance given to persons with a print disability, it appears to the Bar that in

principle this exemption should also be adopted in Hong Kong. It should apply both in the case of access control measures and in the case of copy control measures.

**O. SUGGESTED EXEMPTION 14 – REPRODUCTION BY LIBRARY TO ANOTHER LIBRARY**

30. The new section 273D(8) of the Copyright Ordinance should have already provided adequate exemption.

**P. SUGGESTED EXEMPTION 15 – PRESERVATION OF WORKS**

31. The new section 273D(8) of the Copyright Ordinance should have already provided adequate exemption.

**Q. SUGGESTED EXEMPTION 16 – BROADCASTING OF A SOUND RECORDING**

32. As there is no provision in the Copyright Ordinance equivalent to section 109 of the Australian Copyright Act to which this exemption expressly applies, there is no necessity for this exemption.

**R. SUGGESTED EXEMPTION 17 – KEY CODE**

33. The Bar is of the view that this exemption should be adopted. However, to maintain consistency, the wording thereof should be similar to that suggested in relation to Exemption (1) above.

**S. POSSIBLE FURTHER EXEMPTION**

34. It is worth considering whether there should be an exemption to cover the case of making legitimate back-up copies of software or other digital files. The condition of course must be that the making of the back-up copy by the user is not in breach of the relevant licensing agreement.
35. It is also worth noting that the interpretation of the word “circumvent” provided for under section 273(1) may not be sufficiently comprehensive. A possible scenario is that where the use of the work is controlled through the measure by an exclusive licensee, even if one has the authority or consent of the copyright owner, he/she still cannot escape liability under the present interpretation. A possible solution is to provide exemption whenever there is consent or authority of the copyright owner in each of the paragraphs (a) to (c) under section 273(1). Any prejudice caused to the exclusive licensee or “any other person” under section 273(1)(c) can be protected by the agreements between such persons and the copyright owner.

1 February 2008

Hong Kong Bar Association