

\$2m in pirated CDs seized

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Customs officers have seized pirated television video game parts and compact discs worth almost \$2m and arrested five men in two raids on counterfeiting syndicates in Kowloon.

The hauls were the biggest for video games and CDs since 1993.

Senior Superintendent Ronnie Tsang of the intellectual property investigation bureau said the syndicate members, if found guilty, would not be punished as harshly as they should be because of Hong Kong's lax copyright infringement laws and penalties.

He said the trademark, trade description and copyright ordinances were "completely ineffective". Plans to tighten these laws could not be implemented too soon.

Proposed amendments to all three ordinances will be put before the Legislative Council in mid-May.

Hong Kong has been warned that unless tougher copyright infringement laws are in place by January 1 next year, the territory will have failed to meet its obligations to the trade-related intellectual property agreement as a member of the World Trade Organisation.

"As the law stands now, it is extremely difficult for us to prove in court that goods are counterfeit unless the agent can testify to that," Tsang said.

The fake Nintendo and Sega video game components, thought to have been made in Zhuhai, Shenzhen and Taiwan, were destined for sale in regions as diverse as the Middle East, South America, Russia, Europe and neighbouring Asian countries.

Both agents had already confirmed that the goods were copies of their products, Tsang said.

Games based on Rudyard Kipling's *The Jungle Book*, *Superman*, *Jurassic Park* and American basketball were among those seized.

Tsang said the use of Hong Kong by counterfeiting syndicates as a transit city made the territory "look bad".

"It looks as though these products are all originating from Hong Kong instead of Taiwan and China's special economic zones, that is why

we are the butt of so many accusations from the United States," he said.

"Although many Hong Kong people are starting to invest in these [pirating rackets], Hong Kong is mainly used as a transit centre where the products are assembled before being distributed to overseas countries."

On Wednesday morning, ship search and cargo demand officers discovered a consignment of about 400 printed circuit boards and 25 television game cartridges, and another containing 600 printed circuit boards, both from a vessel arriving from Macau.

That afternoon, intellectual property investigation bureau officers traced the consignee to a company fronting as a trading firm and operating from an industrial building in Lam Hing Street, Kowloon Bay.

Officers seized a further 6,884 counterfeit game cartridges, 5,833 printed circuit boards and a large quantity of packaging.

The goods were found in cardboard boxes marked with air freight labels from Taiwan. The haul was valued at \$1.6m.

Two men, the company's proprietor, 38, and the manager, 33, were arrested and later released on bail of \$100,000 and \$30,000 respectively, pending further investigation.

Tsang said the syndicate, involved in importing, assembling and distributing the goods, had been operating for more than a year.

In a separate raid late last night, customs officers dissolved a counterfeit CD distribution syndicate thought to have been supplying the Kowloon East region for at least three months.

Three men, aged between 30 and 40, were charged with possession of fake CDs.

The 5,000 pirated local and Western CDs seized included copies of albums by Cliff Richard, Alice Cooper and Queen, and were valued at \$200,000.

Tsang said hawkers had been selling three CDs for \$100.

The goods are believed to have been manufactured in Shenzhen.

It was the largest seizure of counterfeit CDs since 1993, when 8,000 were confiscated.