



For Immediate Release
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Court Says Taiwan's Largest P2P Network Infringes Copyrights; Sentences Operators to Prison Terms

Encino, Hong Kong – On September 9, the Taipei District Court ruled that the Kuro peer-to-peer (P2P) network had infringed the copyrights of music industry companies by authorizing Kuro users to copy and distribute copyrighted materials. The court issued a summary of its judgment and is expected to issue a final version within two weeks.

Kuro, Taiwan's largest P2P file-sharing network, charges users a monthly subscription fee in exchange for permitting them to search for and download unauthorized versions of copyrighted works without compensating the rights holders. As a result, the network, which is owned and distributed by Fashionnow Co. Ltd., enables criminal copyright infringement by many of the more than 500,000 Kuro subscribers in Taiwan.

The court ruled that Fashionnow executives Chen Kuo Hua, Chen Kuo Hsiung and Chen Sho Teng were guilty of copyright infringement and sentenced them to prison terms. Chen Kuo Hua, Fashionnow's C.E.O., and Chen Kuo Hsiung, Fashionnow's General Manager, were sentenced to three years imprisonment each. Chen Sho Teng, Fashionnow's Chairman and the father of Chen Kuo Hua and Chen Kuo Hsiung, was sentenced to two years imprisonment. Each was fined NT\$3 million (US\$93,750).

In addition, the court fined Fashionnow Co. Ltd. NT\$3 million (US\$93,750) and sentenced a Kuro subscriber, Chen Jia Huei (no relation to the Fashionnow Chens), to four months imprisonment suspended for three years. All the defendants remain free pending the court's issuance of its final judgment.

Dan Glickman, Motion Picture Association of America President and CEO, said, "This ruling by the Taipei District Court, following last week's ruling in Australia that the Kazaa network facilitates copyright infringement, and the U.S. Supreme Court's ruling in *MGM v Grokster*, makes clear that governments and judiciaries the world over will not stand idly by while creative people and industries are damaged by the widespread theft of intellectual property. The protection of

intellectual property rights fosters innovation and is vital to economic growth and job creation around the world.”

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), Mexico City (Latin America), Montreal (Canada) and Hong Kong (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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