



NEWS RELEASE

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TAIWAN POLICE RAID HARD GOODS MOVIE WEBSITE AND ASSOCIATED BURNER LAB

171 Burners Seized in Fourth Major Raid This Year

Hong Kong / Taipei – On June 5, acting on information provided by the Taiwan Foundation Against Copyright Theft (TFACT), representing the Motion Picture Association (MPA) in Taiwan, Taiwan's Criminal Investigation Bureau (CIB Police) shut down the pirated Internet hard goods website <http://x9.buyxbox.net/shop.php> (buyxbox). Extensive investigations revealed that while the group operating the main website was located in Tainan City, it had a number of associated websites and the pirated movies sold were produced in Taipei City.

25 CIB Police raided five locations linked to the website and the burner lab itself, seizing 171 DVD-R burners, arresting two men and two women for infringing Taiwan's Copyright Law and all face up to five years imprisonment. The Police also seized 14,000 blank discs and more than 40,000 pirated discs, among them 60 titles belonging to MPA member companies' were infringed including "The Last Mimzy", "Transformers" and "Underdog". The pirate DVD-R lab raided was operated by a group that offers pirated movies for sale through flyers to its associated partners and street vendors across Taiwan.

Buyxbox was linked to a number of other websites in a 'pyramid' type piracy operation. Under the operation, members were provided with linked websites by buyxbox, all linked back to buyxbox. A member received percentages of any payments received by buyxbox from sales made via that member's linked website. The decentralized system it operated involved more than 50 members and approximately 1,000 linked websites at the time of the raids.

Had the operation remained in business for one year, it could have produced more than nine million pirated discs, potentially generating criminal revenues of more than US\$30 million.

"This was an extremely well organized pirate operation with tentacles reaching far and wide," said Mike Ellis, President and Managing Director, Asia-Pacific for the MPA. "We are particularly pleased that this raid occurred in Taiwan so soon after we launched our region-wide Operation Takedown, and thank the CIB for their tremendous cooperation in this effort".

In Taiwan, it is frequently the case that pirated movies are individually burned onto optical discs with CD-R or DVD-R burners. Burner labs can contain dozens of burners, capable of producing millions of pirate CD-Rs or DVD-Rs per year. In 2007 alone, more than 1,076 optical disc burners were seized in TFACT/MPA operations in Taiwan.

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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 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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