

FOR IMMEDIATE RELEASE
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INTERNET CAFÉ DIRECTOR ARRESTED AGAIN FOR ILLEGAL DISTRIBUTION OF MOVIES

*Suspected Crimes Continued Despite Previous Arrest resulting from Police Raid
in 2008*

Auckland: Wednesday 4th February Police raided the HTC Internet Cafe in Auckland's Central Business District for the second time in three months, arresting 42-year-old Yongming NIE, HTC's sole director, and charging him with an additional 10 offences committed under the Copyright Act 1994, bringing the total number of indictable charges he now faces to 34, including three charges of receiving stolen property.

The raid followed investigations by the New Zealand Federation Against Copyright Theft (NZFACT), representing the Motion Picture Association in New Zealand, confirming that HTC was still providing facilities where members of the public, upon payment of fees, could view movies on computer terminals. It is suspected that the movies were reproduced and shown without the permission of copyright owners, breaching a number of provisions of New Zealand's copyright law.

NZFACT investigators visited HTC on a number of occasions in January following NIE's appearance in court in charges arising from an earlier Police raid and confirmed the availability of a wide variety of movies including "Iron Man", "What Happens In Vegas" and "The Chronicles of Narnia: Prince Caspian".

"It is disappointing to see this suspected criminal activity continuing despite earlier Police action" said Tony Eaton, Executive Director of NZFACT. "The illegal distribution of movies – whether on DVD or through the Internet – damages our domestic movie production and distribution businesses. "The Chronicles of Narnia: Prince Caspian" was filmed here in New Zealand so it is particularly disappointing to see it being illegally distributed."

NIE is presently assisting Police with enquiries in relation to the latest raid on HTC. The earlier (25th November 2008) Police raid on the café resulted in NIE, HTC's sole director, appearing in Auckland District Court charged with 21

charges relating to the importation, possession and distribution of copyrighted works. NIE is currently on court bail for those offences and is scheduled to appear in Auckland District Court on 20th February.

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.

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.; and Warner Bros. Pictures International, a division of Warner Bros. Pictures Inc.*

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.

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