

Piracy steals RM3 billion annually from local content industry

Leading players of the local content industry in Malaysia lauds the authorities for the recent action against digital piracy in Malaysia.

Industry players are of the opinion that the current penalty for committing acts of digital piracy doesn't commensurate with the huge economic losses suffered by the content providers.

The annual loss due to digital piracy is estimated at RM3 billion to the entertainment and media industry, RM500 million in taxes and puts thousands of jobs at risk.

On 8 February 2021, an IT company in Shah Alam was the first company to be charged in court under Section 41 (1) (ha) of the Copyright Act 1987 for selling technology or equipment for the purpose of the circumvention of technological protection measure referred to in subsection 36A(3) of the same Act. The director pleaded guilty and is waiting for the court's sentence on 1 March. The charging was undertaken by The Ministry of Domestic Trade and Consumer Affairs (MDTCA) deputy public prosecutor.

On 16 February, a 46-year-old woman pleaded guilty to a charge of possessing 6 TV media boxes which allows illegal streaming of Astro's content via the internet. The accused was fined RM30,000 under Section 232(2) of the Communications and Multimedia Act 1998, making her the first illicit streaming device (ISD) seller to be charged under this provision.

Datuk Yusof Haslam, renowned Producer & Director said, "Without resolve from the relevant authorities, digital piracy will not be curbed. This act of theft is not new and has to be resolved by the authorities. I regret to see empty rhetoric without real solution to the problem. Without stricter regulations, piracy will continue to be a cancer to the creative industry and its talents."

Laila Saat, Director, Regulatory of Astro said, "We welcome the recent charges brought against sellers of Illicit Streaming Devices (ISD) and will continue to work with authorities and content partners to send a strong message that content piracy is theft, illegal and punishable by law.

Piracy has become so pervasive that many have forgotten it is theft. Piracy is the biggest scourge of the industry, stealing from every single person in the creative ecosystem from actors, writers, producers, directors and cameraman, thus hampering development.

If piracy is left unchecked, it will retard the entertainment industry as it doesn't make economic sense for anyone to create or invest in premium content like rights to the "FIFA World Cup", only to have them stolen and used illegally."

Zahrin Aris, Honorary Secretary of Persatuan Penerbit Filem (PFM) added, “The penalty for those who use media boxes loaded with unauthorised app is too light. The penalty should be heavier. The value of content being pirated is definitely higher than the fine of only RM30,000.”

Zed Zaidi, President of Persatuan Seniman Malaysia (Seniman) opined, “Digital piracy enabled by ISD has long plagued the local creative industry. We are hopeful that the recent charges is a new beginning for the industry and serve as landmark cases; and providing justice for the local creative players, who are the victims of this criminal act.”

Lam Swee Kim, Chief Marketing Officer of Star Media Group said, “The penalty imposed should reflect how severe the act of piracy impacts the industry and the act of fuelling piracy, in terms of monetisation or remuneration should also be monitored and penalised.”

The industry players appeal to the government of Malaysia to carry out a thorough review of the existing regulations, which currently does not fully enforce, convict, deter infringements; nor does it provide copyright holders with sufficient protection for their creative works against digital piracy.

Eradication of digital piracy to ensure that only responsible content is streamed requires collaborative efforts of all parties from content providers, broadcasters, regulators, authorities and consumers, to telcos, internet service and ecommerce providers.

In particular, there is an urgent need to address key enablers of digital piracy such as ineffective blocking of illegal streaming sites over the internet and ISDs being openly sold on ecommerce platforms.