

18a Piracy

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1 Study the figures for software piracy in different regions of the world, then consider the questions.

Region	Piracy rate*	Loss**
Western Europe	34%	\$3,629.4 million
Eastern Europe	70%	\$505.2 million
North America	26%	\$3,631.2 million
Latin America	72%	\$1,127.6 million
Asia/Pacific	47%	\$2,791.5 million
Middle East	63%	\$284.4 million
Africa	56%	\$193.7 million

* Percentage of total software installed

** Retail software revenue loss to piracy

- a In Western Europe and North America, the piracy rates are lower, but the losses are higher. Why do you think this is so?
- b How do you think piracy affects the growth of the legitimate software market?
- c How easy do you think it is to prosecute for piracy?



2 Read the article below to find the answers to the questions in 1. Are they the same as your answers?

1 **L**osses due to software piracy are estimated at \$12.2 billion a year just in business applications. The figures for the games industry are no less impressive. Up to 108,000 jobs, \$4.5 billion in wages, and \$1 billion in tax revenues are also lost. According to Peter Beuk (vice-president for anti-piracy programs at the Software Industry Information Association – SIIA), most of the software being sold on Internet Auction sites (91%) is pirated. Many of these copies are burned at home for about \$1 a CD, and then sold as *warez for \$25–500 plus shipping.

There is more to piracy than just disk swapping among friends. It has become an illegitimate business on its own, and is sometimes carried out on a corporate level (enterprises which use multiple copies of a single licensed program to cut down on costs), or in ways unknown to the end user (dealers who install pirate copies on new computers). With huge sums of money involved, it is no surprise that organised crime has taken an interest in it.

*warez = pirated software

Even in the United States and Western Europe, where the issue is addressed very seriously, the piracy rate averages 30–40% from country to country. Russia and Asia have the most active pirate markets, with Vietnam and China leading the list with astounding 100% and 97% rates respectively. Revenue rates are not directly linked to piracy rates because in many countries with a high piracy rate, the software market is not very big, whilst regions with relatively low piracy rates like North America suffer higher losses due to the large internal market.

Inevitably the growth of the legitimate software market is affected as developers face the real possibility of pirate copies outnumbering legal ones, turning an otherwise successful product into a financial failure for the company. Prosecution can prove difficult or impossible, as copyright laws differ from country to country. Imagine convincing the Indian police to arrest a Chinese citizen because of a court order emitted by a French tribunal on behalf of a US company!

3 Discuss the following questions with a partner.

- a Have you ever made an illegal copy of software or music? Why?
- b In what circumstances do you, or would you, use illegal software or buy a pirated album?
- c What is your company's policy regarding software on its computers?
- d In your opinion, what is the solution to the problem of piracy?

4 Match the two halves of the sentences. Then discuss the ideas with a partner.

- a If software wasn't so expensive, ...
- b If the item isn't paid for, ...
- c Sony make equipment that is used to make pirate copies of CDs.
- d Companies complain that piracy means lost jobs
- e Computer companies should not complain;
- 1 but would more jobs be created if piracy didn't exist?
- 2 demand for hardware is created by pirated software.
- 3 it's stolen property.
- 4 However, they also hold copyright on music.
- 5 there wouldn't be any piracy.