

# Is It Stealing?

**You use software** every time you turn on your computer. Software is what drives the programs that you use for word processing, Internet research, e-mail, games, etc. Without software, your computer wouldn't work. Make a list of all the ways you use software every day.

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When you buy and install software on your computer, it's not yours to do with as you like. Generally speaking, you've paid the software creator for the right to **use** the program on your own computer. You don't have the right to make copies for your friends. These rules are set out in the **licensing agreement** that accompanies all legitimate software.

When you violate the licensing agreement by illegally copying and distributing or downloading software, it's theft. You're stealing someone else's property.

*After reading each story, choose the correct answer.*

**1.** Sarah and her friend, Jenny, want to go biking, but Jenny didn't bring her bicycle. If Sarah takes, without permission, her next door neighbor's bike for Jenny to ride, she is:

- a. being a good friend since she and Jenny just want to go biking.
- b. just borrowing the bike even though her neighbor didn't give permission.
- c. doing Jenny a favor.
- d. stealing, because you shouldn't take something that doesn't belong to you.



**2.** John owns commercial software that lets him make super-looking posters. He copies the software for his friend, Tom. John thinks this will help Tom's book reports look fabulous too. John is:

- a. breaking the law because copying software without paying for it is stealing.
- b. allowed to copy and give the software to Tom.
- c. a great friend since he wants to help Tom with his reports.
- d. foolish to give the software to Tom, who might get a better grade than John because his report will look so good.

**3.** Rich and Steve are assigned to write a report on the three branches of government. Rich invites Steve over to his house to use his computer while they research and write the report. This is:

- a. breaking the law because two people can't use the same software.
- b. perfectly legal because the software is used on only one machine.
- c. silly, because it would have been easier for Rich to copy his word-processing program and give it to Steve for his computer.
- d. going to be a problem because Steve doesn't know how to use a computer.

**4.** Melissa uses her own camera to take a picture of her baseball team. She then has extra copies made to give to her teammates. This is:

- a. legal, because Melissa can decide if she wants to make extra copies of the photograph.
- b. breaking the law, because you can't make copies of photos you took with your own camera.
- c. legal, only if Melissa charges each of her teammates for the photograph.
- d. unnecessary, because some of her teammates also took photographs of the team.

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**EXTENSION ACTIVITY:** You use software programs every day. For your classroom or the school's computer center, make a poster that shows the many ways you use software throughout the day. You can cut out pictures to illustrate your poster or use newspaper or magazine ads.

# Software Talk: Defining the Terms

**To understand software theft,** you need to know what certain terms mean. Listen to the conversation between Charlie and his Dad, and soon you'll be able to discuss software theft with your friends and family.

**Charlie:** *I want to make a birthday card for Uncle John. Will you help me?*

**Dad:** Sure, let's buy the Make-A-Card software program that we saw in the store last week.

**Charlie:** *Who makes this software?*

**Dad:** Well, the manufacturer is XYZ Software Inc. and it actually creates and packages the CD-ROMs in its factory. But lots of people are involved in taking software from just an idea to the product that you buy in the store. First, there is the creator, the person who thinks up the idea for the software. He or she takes this idea to a programmer, who works with the creator to write the computer codes that make the software work.

**Charlie:** *Do you buy this greeting card program from the manufacturer?*

**Dad:** Sometimes, you can buy software directly from the manufacturer, but usually you buy it from a retailer, meaning a store or a Web site that sells legal software.

**Charlie:** *Why don't I just download a copy of the program from the Internet?*

**Dad:** That's stealing someone else's property. It's illegal. It's also not safe because you could download a virus or the product could have lots of glitches and not work right.

**Charlie:** *Well, I could copy the program from my friend, John.*

**Dad:** That's illegal too. When you buy a software program, it comes with a licensing agreement that usually permits you to install the program on your own machine. The creator owns the copyright to the software. That's the law that says the creator owns his or her creative work, which can be a software program or a book or a song.

**Charlie:** *So I couldn't just make a copy of the greeting card program?*

**Dad:** No, that's stealing. Taking someone else's work and saying it's your own is illegal and just plain wrong. Hey, let's go buy the program so we can make that birthday card.

*After reading this story, fill in the blanks, using the terms provided, to test your knowledge of some common software terms.*

**copyright**  
**plagiarism**  
**software**  
**download**

**creator**  
**programmer**  
**manufacturer**  
**retailer**

**owner**  
**licensing**

- The \_\_\_\_\_ is the company that produces the software CD-ROMs and disks.
- You should buy software from a licensed \_\_\_\_\_.
- \_\_\_\_\_ is legal protection provided by the government for a creative work.
- \_\_\_\_\_ is when you copy someone else's work and call it your own.
- The \_\_\_\_\_ agreement for most software programs permits you to install the software on your own computer.
- The \_\_\_\_\_ is the person who came up with the idea for the software program.
- It's illegal to \_\_\_\_\_ music, games, and software from Web sites that are unauthorized by the manufacturers or creators.
- \_\_\_\_\_ instructs the computer how to run programs like Make-A-Card.
- The \_\_\_\_\_ writes the computer codes necessary to make the software program work.
- When you buy a bicycle, you are the \_\_\_\_\_ and can do whatever you want with it. That's different than when you buy a software program whose use is defined by its licensing agreement.

**EXTENSION ACTIVITY:** Conduct a software audit of your school or home computer. Who makes the computer? What software is loaded? Who manufactures the software? What does the software do? Are there licensing agreements for each software program?

# Who Gets Hurt When You Copy Software?

**Sally**, the girl in the picture, is thinking about downloading a game from the Internet. Her best friend bought that same game at the store for \$50. But the Web site Sally found while surfing the Internet says you can download the game for free. But if Sally does this, who will be affected by her decision to download the game illegally?

Using illegal software affects a lot of people. For example, the creator isn't compensated fairly for his work and the manufacturer can't recover his production investment. Jobs may be lost in the legitimate businesses that create, manufacture, market, and support software and its sales. Each year, nearly \$33 billion is lost due to software piracy worldwide.

*Below you will find a list of the people who are affected by software theft, as well as a list of how they are affected. Match the person to the effect and write the letters to the answers in the squares next to Sally.*

## People Affected by Software Theft

1. Creator
2. Manufacturer
3. Retailer
4. Office and Factory Workers
5. Sally

## How They Are Affected

- a. Her computer may be damaged by a virus while she illegally downloads a game.
- b. May lose their jobs because legitimate software-related businesses lose too much revenue from software theft.
- c. May not invest in developing new games or software because of loss of revenue due to software theft.
- d. Doesn't get fairly compensated for his creative work and has his copyright infringed.
- e. May cut jobs or close stores because of reduced demand for legitimate software.



1.

\_\_\_\_\_

2.

\_\_\_\_\_

3.

\_\_\_\_\_

4.

\_\_\_\_\_

5.

\_\_\_\_\_

Remember, if you:

- purchase unlicensed software
  - OR
  - illegally download it from a Web site
  - OR
  - illegally copy someone else's software...
- it's the same as stealing someone's property.

**EXTENSION ACTIVITY:** Create your own software company. What products would you develop? Write a licensing agreement that will ensure that you are paid for your efforts and investment.



# It's Not Only the Law; It's the Right Thing to Do

**You use software** every time you turn on your computer. Software is what drives the programs that you use for word processing, Internet research, e-mail, games, etc. Without software, your computer wouldn't work. But when you buy and install software on your computer, it's not yours to do with as you like. Generally speaking, you've paid the software creator for the right to **use** the program on your own computer. You don't have the right to make copies for your friends. These rules are set out in the **licensing agreement** that accompanies all legitimate software.

When you violate the licensing agreement by illegally copying and distributing or downloading software, it's theft. You're stealing someone else's property. When you download unlicensed software or make a copy of a game for a friend, or download music from an illegal Web site, you are also infringing on the creator's copyright. There are both civil and criminal legal implications. In the United States, civil damage awards for software piracy range up to \$150,000 for each program copied.

Listen in as Molly and her mother debate the legal and ethical implications of software theft.

**Mom:** *Where did you get that new computer game?*

**Molly:** I borrowed it from Sara, but she's going to make me a copy so I can have it too.

**Mom:** *But it's not legal to make copies of computer games for your friends.*

**Molly:** Don't be silly. Sara doesn't mind.

**Mom:** *I know she's a good friend, but software piracy is stealing.*

**Molly:** Stealing? Nobody is going to steal anything. Sara's parents bought her the game for her birthday. She can do what she wants with it.

**Mom:** *Actually, no she can't. When you buy software, you accept the manufacturer's licensing agreement. There are limits to how you can use the software. Usually you're permitted to install the game on your computer only.*

**Molly:** When you buy a bike, you own it and can do anything you want with it.

**Mom:** *Yes, that's true. But software, like books and music, is different. Now we're talking about intellectual property. There are copyright laws to protect creative works. Copyright guarantees that the creator of intellectual property can decide how it is used. Whether you photocopy a newly published book or copy software for a friend, rather than buying an original, it's an infringement of copyright and it's illegal. But it's also unethical.*

**Molly:** Why?

**Mom:** *Because software theft is stealing someone else's work and that's just as bad as stealing a car.*

**Molly:** Well, I really like this game.

**Mom:** *So you have two choices. Save your money and buy it or go play it at Sara's.*

**Molly:** See you later. I'm going to Sara's house now.



**Read the following questions and choose the correct answer from the choices given.**

- In the United States, civil damage awards for software theft, for each program copied, range up to:**
  - \$150
  - \$1,000
  - \$150,000
  - \$5,000
- If you duplicate software for a friend, you are:**
  - a generous friend.
  - potentially violating criminal and civil copyright laws.
  - not doing anything wrong.
  - actually helping a company by promoting their software.
- Copyright laws are designed to protect:**
  - the owner of the creative work.
  - the retailer who sells the creative work.
  - the buyer who purchases the creative work.
  - Web sites that offer illegal copies of software.
- Intellectual property refers to:**
  - your brain.
  - your thoughts.
  - creative works.
  - a farm in Iowa.
- Software theft refers to:**
  - a television show.
  - the illegal copying, distributing, or downloading of software.
  - legitimate software you've purchased on a Web site.
  - a software game.

**EXTENSION ACTIVITY:**  
Check out the Web site for the United States Copyright Office, <http://www.copyright.gov>. Research what's involved in obtaining a copyright for your creative work. Also read what's required to develop a licensing agreement to protect its use.

# Making the Connection

**Illegally downloading software**, copying software for a friend, or buying counterfeit software is quite simply breaking the law. It's stealing. When you buy software from an authorized dealer, whether online or in a store, you accept the licensing agreement that tells you how you may use the software. Generally, you are only permitted to install the software on your own computer.

*After listening to this game show – or acting it out with your classmates – match the terms to the correct definitions.*



**The Cast:** Host, Contestant #1, Contestant #2, and Contestant #3

**Host:** Welcome to Academic Challenge. Each correctly answered question is worth 10 points. At the end of the competition, the student with the most points will win a gift certificate for software, worth \$100. Let's start.

**Host:** Define copyright.

**Contestant #1:** When you correctly copy your homework off the blackboard.

**Host:** No. Contestant #2?

**Contestant #2:** Copyright is legal protection for creative works.

**Host:** That's right. What is plagiarism?

**Contestant #3:** Taking someone else's words or ideas and claiming them as your own.

**Host:** That's right. And that's 10 points each for Contestants 2 and 3, and zero points for Contestant #1. Who can tell me what software is?

**Contestant #2:** Software instructs the computer how to run a program.

**Host:** Correct. Who can tell me the job title for the individual who writes the computer code for software?

**Contestant #1:** The programmer.

**Host:** You're right, and that's 10 points for you. Next question. Define downloading.

**Contestant #2:** Downloading is when one computer requests a file from another computer.

**Host:** You're right again. What does the term creator mean?

**Contestant #1:** It can be someone who makes up a new software program, or writes a book, or composes a song. It's when someone creates intellectual property.

**Host:** That's right. That's 20 points for Contestant #1; 30 points for Contestant #2; and 10 points for Contestant #3. Next question. Define a licensing agreement.

**Contestant #3:** When you buy a software product, you get a license to run the program. Most licensing agreements for personal computer software only allow you to run the program on one machine.

**Host:** Right. Our last question has three parts, each worth 10 points, so you are all still in the running. What do you call the company that invests and produces the CD-ROMs or disks for software? Who sells the product and who buys it?

**Contestant #2:** A manufacturer creates and packages the software product in its factories; a retailer sells the products; and the person who buys the software program is called the licensee or purchaser.

**Host:** You're right on all three counts and you are our grand prize winner!

*Match the term to the correct definition.*

## Terms

1. Plagiarism
2. Owner
3. Software
4. Retailer
5. Copyright
6. Creator
7. Manufacturer
8. Programmer
9. Downloading
10. Licensing Agreement

## Definitions

- a. Law that guarantees that the creator of intellectual property can decide who can reproduce and use the work.
- b. The programs that instruct the computer what to do.
- c. Using another person's work and claiming it as your own.
- d. Sets forth the terms of the software's use.
- e. Process in which one computer requests a file from another.
- f. Individual who writes the computer codes for software.
- g. Company that creates and packages software.
- h. Individual who makes up a new software program, or writes a book, or composes a song, generating intellectual property.
- i. Sells software products.
- j. Purchases software products.

**EXTENSION ACTIVITY:**  
Write a report on a specific software program. For a list of major software manufacturers, go to the Web site of the Business Software Alliance, ([www.bsa.org](http://www.bsa.org)). Find out when the software was first developed, who designed it, who manufactured it, and how many updates (new versions) have been issued to date.

# What's Your Piracy IQ?

## Software theft is a problem

around the globe. Over the last five years, while the software piracy rate has dropped marginally in the United States, 21 percent of all business software installed on PCs is still pirated. In 2005, over 170,000 jobs and \$9 billion in salaries were lost due to software theft in North America.

Internationally, the rate is even higher. The global software piracy rate is 35 percent. Vietnam has the highest software piracy rate with 92 percent. Each year, nearly \$33 billion is lost due to software theft worldwide.

Some experts predict that if software theft were reduced, the industry would produce an additional 2.4 million jobs globally by 2009 and add \$67 billion in taxes.

Using illegal software affects a lot of people. The creator isn't compensated fairly for his or her work and the manufacturer can't recover its production investment. Jobs are lost in the legitimate businesses that create, manufacture, market, and support software. Tax revenues, which support government services, are reduced by falling profits from legitimate businesses. The economy may slow down because companies don't have the money to grow. Innovation is slowed because the creator and manufacturer no longer have an incentive to invest creativity or money into new ideas.

*Fill in the blanks below and test your Piracy IQ.*

1. The country with the highest software piracy rate in the world is \_\_\_\_\_ with a rate of \_\_\_\_\_.
2. North America has a software theft rate of about \_\_\_\_\_.
3. Retail software revenue lost to piracy in the Asia/Pacific region is \_\_\_\_\_.
4. More than \$ \_\_\_\_\_ is lost each year in North America due to software piracy.
5. Worldwide, \$ \_\_\_\_\_ is lost due to software theft.
6. Software piracy reduces \_\_\_\_\_ that support government services.
7. Software theft slows \_\_\_\_\_ because the creator and manufacturer no longer have an incentive to invest creativity or money into new ideas.
8. If software piracy were reduced, some experts predict that \_\_\_\_\_ new jobs would be created.

## 2005 International Piracy Rates

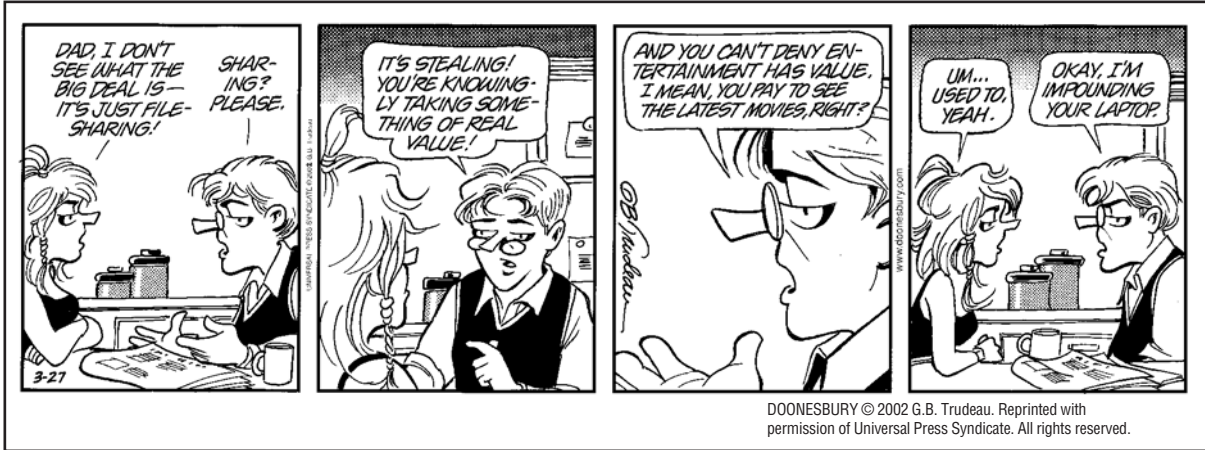
Geographic Region	Piracy Rate	Retail Software Revenue Lost to Piracy
North America (U.S., Canada, and Puerto Rico)	22%	\$7,549,000,000
Latin America	66%	\$1,546,000,000
Asia/Pacific	53%	\$7,897,000,000
European Union	35%	\$12,151,000,000
Rest of Europe	61%	\$2,313,000,000
Middle East/Africa	58%	\$1,239,000,000
<b>World Total</b>	<b>35%</b>	<b>\$32,695,000,000</b>



**EXTENSION ACTIVITY:**  
List the effects of software piracy on: the creator, manufacturer, retailer, consumer, and the national economy.

# It's Up to You

## Doonesbury



Read the *Doonesbury* cartoon, by Garry Trudeau, above. The father is troubled by his daughter's gift of pirated material. But the daughter justifies her actions. Given what you know about the wide-ranging impact of software theft, what arguments could the father have made to convince his daughter that she is wrong about illegally downloading music from the Internet? What will be her counter-arguments? How valid are those in light of the ethical, legal, and economic repercussions of software theft?

	Dad's Arguments	Daughter's Arguments
Ethical Issues:		
Legal Issues:		
Economic Issues:		

Started in 1970 by Garry Trudeau, *Doonesbury* features political satire and social commentary such as this strip about cyber-ethics. Garry Trudeau won a Pulitzer Prize for his work on *Doonesbury*. The strip featured this topic for several days. Additional strips can be viewed at [www.doonesbury.com](http://www.doonesbury.com).

**EXTENSION ACTIVITY:**  
Interview a parent or someone older to find out if feelings about cyber-ethics differ by generations. If so, why?