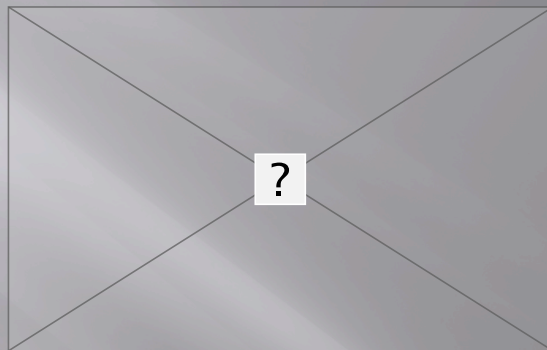


THE ETHICS OF DIGITAL PIRACY

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Digital Piracy has become such a menace to the entertainment business that many different anti-pirating advertisements have been released. The video above is the most popular one in use now, visible in almost every movie theater across the United States, though this particular video actually originated in Australia.

Defining Digital Piracy

- *Digital* is defined as anything “available in electronic form, readable and manipulable by computer.”
 - *Piracy* is defined as “the unauthorized reproduction or use of a copyrighted book, recording, television program, patented invention, trademarked product, etc.”
 - It shall, therefore, turn into “the unauthorized reproduction of a copyrighted material available in electronic form, readable and able to be manipulated by a computer.”
 - To compare, the comparable verb *Steal* has this definition: to take the property of another or others without permission or right, esp. secretly or by force.
- (official definitions courtesy of www.dictionary.com)

How Piracy Has Evolved

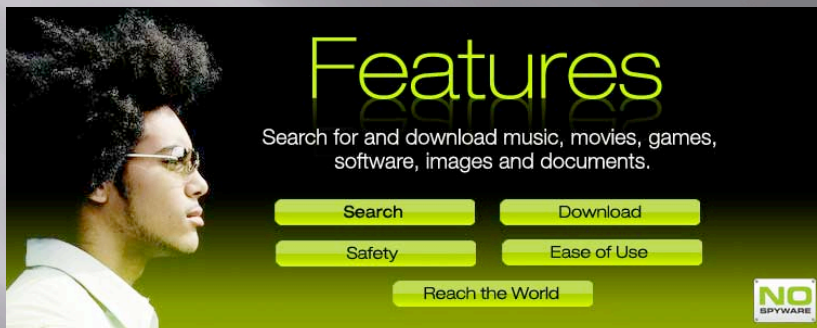
- People have been sharing music for a long time (“Do you mind if I borrow your new CD sometime so I can make a copy of it?”).
- P2P (Peer to Peer) file sharing programs were created with an “intention” to help people transfer their own personal files amongst each other (i.e. pictures, documents, etc.). Napster was the first, released in 1999.
- Programs like Napster quickly multiplied, becoming an accessible, free method for transferring music and movies from one person to another.
 - This made it much easier than having to borrow the actual CD to a person - it just sends the digital copy to them instead.
- It is estimated that as of 2005, almost \$3.5 billion dollars annually is lost in the film industry, mostly affecting the 99% of people in the entertainment industry who don't make huge salaries.

Evolution of Piracy Part II

- ▣ The P2P networks that enable piracy do nothing to prevent the transmission of copyrighted material, but meanwhile make sure they are doing everything in their power to prevent themselves from liability.
 - Some networks have become a “for profit” service – leading people to believe that what they are doing is legal because they are paying for it, until a summons arrives at their front door.
 - Kazaa, a popular network for piracy, is based in Vanuatu, a small archipelago between Australia and Fiji, in order to avoid a majority of legal action.

P2P Networks

- This image is the header for Kazaa’s website. Notice that it states you can search for and download music, movies, games, software, images, and documents.



- However, in very small print on the bottom of the “About Us” page, the disclaimer (which is unable to be copied and pasted) reads:
and
user, you
is your
country.
“Copyright: Sharman Networks Ltd. does not condone activities and actions that breach the rights of copyright owners. As a Kazaa user, you have agreed to abide by the End User License Agreement and it is your responsibility to obey all laws governing copyright in each country.”

Quotes Against Piracy

- ▣ James Hetfield (Metallica): "What about the band that's on the cusp of make it or break it? It's so ironic that a band won't be successful because the people who really like their stuff are stealing it."
- ▣ Jack Valenti, head of the Motion Picture Association of America: "If we let this stand, you're going to see the undoing of this society. I didn't preside over this movie industry to see it disintegrate like the music industry."

Illegality of File Sharing

- ▣ April 2000 – Metallica filed a suit against Napster for racketeering and copyright infringement after the P2P refused to remove the band's songs from the site.
- ▣ The 9th U.S. Circuit Court of Appeals ruled that Napster knew that its users were in violation of copyright laws, but did nothing to prevent it.
- ▣ In 2001, a court injunction forced the company to close. It would later reopen as a service for a charge.

Companies Combating Piracy

- Companies such as Apple (iTunes) and Napster* have tried to offer their services for a charge (.99 a song, \$12.95 a month respectively).
- But, people argue, who in their right mind would pay for music when they could just as easily get it for free somewhere else, and without the restrictions Apple has set on the number of times

iTunes



Napster

Argument Against Piracy #1

Piracy (as previously defined) is “the unauthorized reproduction or use of a copyrighted book, recording, television program, patented invention, trademarked product, etc.”

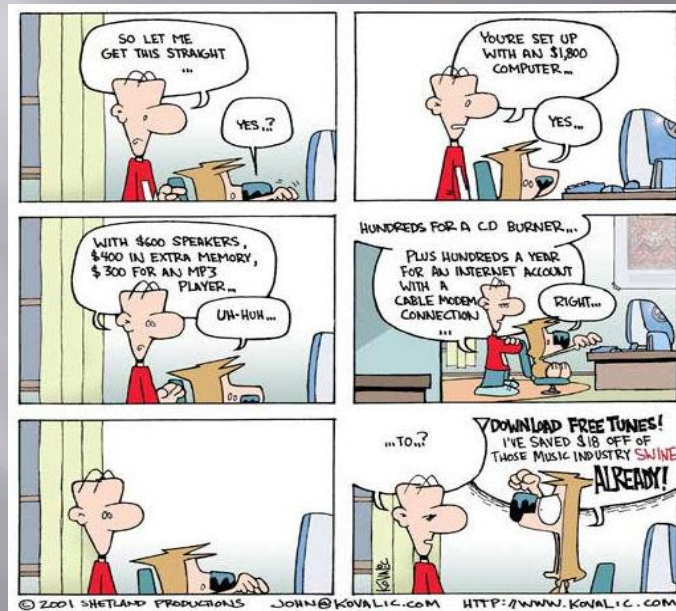
Piracy is equal to stealing, which is the more generalized act of taking the property of another or others without permission or right, especially secretly or by force.

Stealing is an unethical thing to do.

Therefore, Piracy is an unethical thing to do.

Arguments Against Piracy #2

- ❑ Music and movie companies spend millions of dollars creating products for people to buy from them.
- ❑ These companies rely on people to purchase their product so they can make their money back that was lost in production.
- ❑ If people are downloading the products for free, there is a net loss of approximately \$13.00 per CD and DVD downloaded illegally.
- ❑ If companies are losing money to illegal downloading, they won't be able to continue producing music and movies.
- ❑ Downloading these products will eventually lead to the downfall of the companies supplying them.
- ❑ Thus, piracy is hurting the entertainment industry financially and, as a result, is unethical.



Quotes For Piracy

- ▣ Orson Scott Card: "... the entire music business absolutely depends on the social interaction of kids to make hits. You stop kids from sharing music, and you've shut down the hit-making machine."
- ▣ Orson Scott Card: "The real gripe for the record companies is not these fictional 'lost sales.' What's keeping them up at night is the realization that musicians don't need record companies any more."

Arguments for Piracy #1

- ▣ Most people value their money and don't like to waste it or spend it frivolously.
- ▣ If people don't have the opportunity to listen to a new artist, then they will not put forth the money to buy their product because if they don't end up liking it, it would be a waste of money.
- ▣ Pirated music allows people to access and try out a new band before they invest in a CD and find out they don't like it.
- ▣ If people have the opportunity to download a song for free and decide they like the band, they will not feel cheated when they pay \$14.00 to buy their CD.
- ▣ Therefore, Digital Piracy is beneficial to the entertainment industry.

Arguments for Piracy #2

- TV networks and music companies use figures from P2P networks such as BitTorrent to see what is getting downloaded the most in order to decide what music and DVDs to put out and when.
- By eliminating digital piracy, they would be eliminating the ability for those networks to analyze what people want and don't want to watch or listen to.
- Without this previous analysis, companies will lose millions of dollars investing in products that aren't in high demand.
- Therefore, digital piracy is necessary for companies to correctly target their consumers wants and needs.

Questions

- Do you think that downloading music is ethical?
- What do you think of the illegality of pirating? Do you agree with the laws? Do you think it can be moral and legal at the same time?
- Are there any further problems with the arguments stated in the presentation?

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