We will discuss the

- Background and history of piracy, including the historical context, laws/ regulations, shareholders, industry standards
- An ethical analysis of the theorems, principles and arguments to why people pirate
- Solutions/Recommendations to solve this issue of piracy in addition to an ethical justification behind the solutions
- Lastly the conclusion where we will summarize all the information above includes works cited

“Hello, everyone, and welcome. Today, I will take you through a comprehensive discussion on the background of software piracy based on our Phase 2 Background Information report. In this presentation, we’ll review the historical context, the laws and policies regulating piracy, the stakeholders affected, industry standards put in place, and the ethical dimensions of the issue. We will also touch on some key definitions and wrap up with the references that support our discussion.”

Let’s take a step back and look at how software piracy has evolved over time.

Piracy, in general, is nothing new. For centuries, people have copied creative work without permission—from handwritten scrolls in ancient times to bootleg books and records. But everything changed with the rise of digital technology. Suddenly, it became possible to make perfect, unlimited copies of software and distribute them globally in seconds. That ushered in a whole new era.

In the **1980s**, piracy started out small and simple. People copied cassette tapes or duplicated floppy disks, often passing around basic software along with handwritten instructions. This laid the foundation for casual, peer-to-peer sharing.

By the **1990s**, personal computers were becoming common, and so was piracy. Floppy disks gave way to CDs, and pirated software—sometimes entire operating systems—was copied and shared widely. Keygens and cracks made it easy to get around security, and software was traded through early internet forums or just handed off between friends.

Then came the **early 2000s**, and with it, Napster. While mostly known for music sharing, Napster set the stage for large-scale digital piracy. Even after it was shut down, new platforms quickly took its place, spreading not just music, but software too.

In the **mid-2000s**, torrenting exploded. Sites like The Pirate Bay became global hubs for cracked software—everything from Photoshop to video editing suites could be downloaded with just a few clicks. Torrenting became mainstream, especially among younger, tech-savvy users.

Moving into the **2010s**, piracy adapted again—this time to streaming and the cloud. Some pirates began mimicking Netflix-style convenience by hosting software, media,

and tutorials on cloud drives and shady streaming sites. Even social media platforms were used to share pirated content.

With the **mobile revolution**, app piracy took off. Jailbreaking iPhones or rooting Android devices let users install paid apps for free. Game piracy also got more advanced, with cracked servers and console clones making it possible to play high-end games without paying.

And today, in the **2020s**, piracy is more sophisticated than ever. Decentralized networks like Tor are used to anonymize illegal activity. AI tools help bypass security systems. Subscription-sharing and stolen login data are used to access paid services. Piracy is no longer just about downloading files—it's an entire underground ecosystem.

"Next, we move on to the legal framework established to combat software piracy.

- **Defining Illegal Activity:**
  Software piracy is recognized as unauthorized copying, distribution, and selling of copyrighted software. This practice not only violates copyright law but has also led to severe civil and criminal repercussions.
- **Key Laws and Legislative Measures:**
  One major legislative act mentioned is Senate Bill S893 (signed in 1992), which increased penalties for large-scale piracy by making it a felony. Under this law, significant fines and prison terms can be imposed on those who produce multiple illegal copies.
  Additionally, the United States Copyright Act prescribes stringent fines and imprisonment terms as deterrents.
  The introduction of the No Electronic Theft (NET) Act further extended these penalties to include unauthorized digital distribution.
- **International Pressure and Enforcement:**
  The U.S. has also leveraged international pressure—encouraging countries like China to strengthen their copyright laws—and utilized the DMCA to criminalize circumvention of digital rights measures. With specialized law enforcement units, including FBI task forces, governments are stepping up their fight against piracy.

The law and policy section emphasizes that while measures are in place, enforcing them is a constant challenge in the dynamic digital space."

"Following the legal framework, let's discuss the various stakeholders impacted by software piracy.

We'll break down how piracy impacts four major stakeholder groups: consumers, governments, producers and distributors, and finally, the greater industry and economy.

The report outlines that end users may encounter pirated software either knowingly or unknowingly. Using pirated content may expose consumers to malware, compromise their personal data, or even lead to legal actions.

• Governments: Government agencies play a dual role: they enforce copyright laws and balance the cost of legal litigation against combating piracy. At times, limited resources may hamper proactive measures.

• Producers and Distributors: Software creators and distributors suffer directly from lost revenue and reduced incentives for innovation. Piracy can also deter investors if market confidence is undermined.

• Industry Companies and the Greater Economy: Beyond individual losses, widespread piracy affects entire industry sectors and can distort market dynamics, impacting overall economic growth.

“In response to the threat of software piracy, the industry has developed several standards to combat it.

- **SSCP Protocol:**
  One prominent example is the SEMI Server Certification Protocol (SSCP). This protocol validates software licenses through servers, ensuring that only authorized users can access the software.
  SSCP has several advantages: it helps counter fake licenses, improves overall security by reducing exposure to malware, and supports legal compliance by making it easier to verify authenticity.
- **Benefits to the Industry:**
  By maintaining rigorous checks, companies can protect their revenue streams, reinvest in innovation, and ultimately provide consumers with higher quality, secure products.

Industry standards like SSCP represent the technical backbone that supports broader legal and ethical efforts to minimize piracy.”

Let’s talk about something complex: **the ethics of software piracy**.
At first glance, it seems simple—it’s illegal, it harms creators, and it’s often labeled as theft. But the truth is more complicated.
People don’t always pirate software out of malice. Many do it because of **high costs, poor service, or lack of access**. This creates a real conflict: on one hand, we have the rights of creators to profit from their work. On the other, we have users who feel locked out of essential tools.
This raises a deeper question:
Is piracy always wrong—or does it reveal flaws in how digital products are priced and distributed?

There are real consequences. Piracy introduces **security risks**, causes **job losses**, and often results in **stricter rules** that affect even paying customers.
So, instead of viewing piracy as a black-and-white issue, we should see it as a **call for change**—a sign that we need better pricing, better access, and fairer systems.
Balancing creator rights with user needs isn't easy—but it's essential if we want a digital world that works for everyone.

Ethical Theories:

- **Deontological Ethics:** actions are morally justified based on whether they follow a set of rules or moral duties. In the face of piracy deontologically see piracy as morally wrong as it is immoral as it is wrong under the law.
- **Utilitarianism:** actions are judged according to their consequences, aiming to maximize happiness and well-being. According to them, piracy is wrong because the benefits (like greater access to content) outweigh the harms (like reduced investment in creative industries).
- **Just-Consequentialism:** a right or wrong action is determined solely by its consequences, maximizing overall happiness or good. Piracy, according to them, is good because it increases content exposure and future purchases, but bad because it reduces innovation and financial impact.
- **Virtue Ethics:** emphasizes developing good character traits (virtues) rather than adhering to rules or focusing solely on consequences, aiming for a life of moral excellence. According to them, piracy violates the virtues of justice, honesty, and respect for property rights.
- **Psychological Reactance theory** suggests that people have a fundamental need for freedom and autonomy, and when this freedom is threatened or taken away, they experience a motivational state called reactance, which drives them to regain that freedom. It may take the form of rebellion, hostility towards the limiting factor, or attracting restricted options.
- **Moral cleansing/licensing theory:** Licensing occurs when someone who initially behaved morally or cooperatively, later behaves less morally, as if they had a "license" to act badly. Cleansing theory occurs when someone first behaves immorally, which prompts them to later behave more morally.
- **Theory of Planned Behavior (TPB):** posits that attitudes, subjective norms, and perceived behavioral control influence intentions and behaviors. A person's attitude, behavior, and intention directly affect whether they pirate. Piracy is more likely to occur if a person has a bad attitude, behavior, and intentions.

Ethical Principles:

- **Social Contract:** suggests people agree to give up certain freedoms in exchange for protection of their remaining rights. In the case of piracy, it involves balancing

creator rights with consumer access. One hand, it violates the intellectual property rights and financial rights of the creator, while on the other, there may be no alternatives, or the price may be too high.

- **Neutralization Techniques:** Individuals use neutralization to rationalize their piracy behavior. These justifications help them bypass moral, ethical, and legal barriers. Pirates rationalize their way through different techniques such as denying responsibility, denying that they are harming anyone and claiming that they will buy it later.

"Who's ready to discuss potential solutions to ending software piracy?"

"Focusing on combating the issue of software piracy, understanding why people commit the crime in the first place highlights the solutions we can implement!"

"For example, many people cannot afford the price of software and instead choose to pirate. If companies implemented discounts for legitimate reasons, i.e. students or up and coming businesses, it would allow more people to use their services, and less people would resort to piracy."

"Another reason people pirate software is that consumers feel that the price of certain software is not worth the quality of the product they are paying for. Plenty of companies add additional services to what their customers pay for, but more often than not, they add features no one asked for nor wished for. Listening to customer feedback not only improves public image, but it discourages others from turning toward suspicious pirates who do provide the features they want."

"Furthermore, when people pirate or use pirated content, they may not understand the impact they are having on developers and producers of software, or they may be ignorant of the risks of using pirated software. Teaching people about the risks and the impact behind using pirated software would discourage many people from 'sailing the seven seas' and allow them to be fully aware of their impact."

"Now these potential solutions are great and all, but what about long-term solutions? Ones that can have big impact but would take time to implement?"

"When it comes to long term solutions... international laws are an issue that needs to be addressed. Numerous countries do have laws against piracy of online software or media yet the few that don't lead to problems..."

"When it comes to not tracking down pirates or even letting them get away with it in the first place, countries that ignore or support piracy are a big issue and making international laws stronger would help combat this issue. Punishing countries or at least having them publicly called out may increase support against pirating."

"Besides countries, programmers themselves can add features to prevent pirating. Adding cloud based or DRM services would require online verification from private servers allowing access to paid and legally obtained services. This prevents pirated software from spreading as easily."

"Another solution would be to have quality checks of software and services, here's what I mean: What are pirates offering that legal companies don't? If companies can identify these reasons and

implement changes, it would encourage people to stop using suspicious pirated software as companies focus on innovation."

"As Gabe Newell puts it best! "**The easiest way to stop piracy is NOT by putting antipiracy technology to work. It's by giving those people a service that's better than what they're receiving from the pirates."** When a company listens to their customers, it has been shown time and time again to not only improve their image, but it also leads to more people using their services and, in turn, discourages less people to turning toward pirates for better services."

"For when it comes to strengthening international laws, not only would it allow countries to recieve support when they need assistance countering pirates, but it would also discourage other countries from supporting or ignoring pirates who escape to their country to get away with their crimes."
"And the whole reason we bring you this presentation is to spread the message that as much as 42% of software, 37% of eBooks, 80% of videos, 24% of music, and 21% of games are pirated online. Acknowledging this fact is important as it is predicted that these percentages are only going to increase as technology evolves."

"Even though these solutions may take a bit of time to integrate, here are some recommendations that everyday consumers, such as you watching our presentation, can perform! Remember the acronym D.A.R.E."

"1. Discourage others from Pirating! If you have a friend or someone who you know that uses pirated content online, encourage them to not pirate anymore."

"2. Act do what you can to encourage others to stop pirating software! Whether it be spreading the message or by not using pirated content yourself."

"3. Report pirate software sites and ensure that they don't get away with their crimes!"

"4. Educate, help spread the message and inform others of how their choice to use pirated content effects more than just themselves."