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Everyone loves watching a good movie or listening to the music of their choice. Sitting back and relaxing, grabbing a bowl of popcorn or bobbing their head to a good beat are fun ways to for many people to enjoy their spare time. When the latest movie or album comes out and costs more than a person is willing to pay, the experience now changes. That person could turn to using illegal methods to obtain that new movie or that new album; they could turn to digital piracy. Digital piracy is copyright infringement and many people commit this crime by downloading songs, movies and even games from file sharing sites like Limewire, Pirate Bay and Kazaa. It has become more widespread in the years since Napster was created, and the government has tried multiple times to stop the illegal downloading. While illegally downloading music and movies off the internet is a crime with many repercussions, there are also benefits that occur from file sharing. This leads to the questions of whether or not there should be more laws against digital piracy and stricter enforcement of the existing laws.

Digital piracy began as an “underground” activity when the price of CDs rose to level that some people were unwilling to pay. Shawn Fanning, the creator of Napster, decided to step in and come up with a way for people to get the music that they loved for free. People were then able to download songs and continue to swap and share music with friends and family without paying the high price. This action brought up many complaints by the music industry. They said that these downloads constituted copyright infringement. High profile musicians joined in to voice their opinions on the breaking of the copyright laws as well. In 1998, the Digital Millennium Copyright Act was passed to address the increase in copyright violations using electronic software and technology. The DMCA implemented copyright laws that became necessary “due to the rise in digital technology, and was intended to protect artists against people that bypassed the encryption in software that allowed them to access music files for free” (DMCA). Even with the passage of laws against illegal file sharing “legislative measures currently in place seem to be unable to curb those inclined to steal from others without paying for the legitimate fees” (Schell).

There are many reasons the government has been attempting to crack down on digital piracy including the negative impact it is having on the music and movie industries. These companies have taken major hits to their revenues, for example “in 2005 alone, the Motion Picture Association of America (MPAA) estimated it lost $2.3 billion worldwide to internet piracy” (Sampat). The problem has not improved even with the laws in place. A report from industry analysis Digital TV Research suggests, “the amount of revenue lost to piracy has skyrocketed from $6.7 billion in 2010 to nearly $31.8 billion last year and the figure is expected to hit nearly $52 billion in 2022 (“Piracy to cost”). The main way companies can attempt to stop the copyright infringement is to sue those responsible. Unfortunately, there are so many offenders it would be difficult to stop them. A 2003 study found that “over 60% of the software sold through internet auction sites is counterfeit (i.e., pirated), and more than 90% is sold in violation of the publisher's license agreement” (Schell). Businesses are not the only ones being affected either. The files that are illegally downloaded could potentially have viruses imbedded in them that can infect hard drives and ruin them. Besides the damage the viruses and worms can do, consumers who illegally download software also lose out on technical support and product warranties that would come with legal purchases of the product. The impact goes beyond the individual businesses that lose revenues and the individuals that are getting infected files. The impact is also on the economy as a whole and therefore affects everyone. Studies have estimated that “IP theft costs the U.S. economy more than $100 billion annually and results in the loss of thousands of American jobs” (Smith).

On the surface, there only seems to be negatives to illegal sharing of files. However, there are some benefits that have come from online file sharing. A study from the London School of Economics has shown that digital file sharing might actually boost revenues. According to the research “the music, gaming and publishing industries are all growing and adopting new business models based on digital sharing” (“Digital Piracy”). These companies have basically taken the technology used by the copyright infringers and use it to their own benefit. The benefits are seen in the publishing industry because “although revenues from print book sales have declined, this has been offset by increases in sales of e-books, and the rate of growth is not declining despite reports lamenting the 'end of the book’” (“Digital Piracy”). The record industry “acknowledges that sales have stagnated in recent years, but overall revenue of the music industry in 2011 was almost $60 billion and in 2012, worldwide sales of recorded music increased for the first time since 1999, with 34 percent of revenues for that year coming from digital channels such as streaming and downloads” (“Digital Piracy”). Musicians have also gotten on board with file sharing sites and actually have begun to allow people to download their songs for free. They release their music through sites like Sound Cloud. Musicians can use this tool to bring attention to their music and get a bigger following. The hope is that they will reap the benefits of a larger showing at their performances for which people must buy tickets.

People want to get their source of entertainment for as low a price as they can get, so many people turn to file sharing sites whether they realize the consequences of their illegal actions or not. Digital piracy is considered illegal and there have been many legislative actions taken, including the DMCA, to protect the rights of the producers of this intellectual property. It has impacted businesses, individuals and the entire economy in one way or another. The laws that have been put in place through our legislative process to stop illegal downloading and file sharing are designed to be for the common good, however, there are also benefits that have arisen from the on-line file sharing. As businesses have adjusted to the improving technology and changed their business models in order to maintain their ability to compete, they have been able to take advantage and improve their sales. The publishing industry has used the new technology to make up for the fact that sales of tangible books have been slipping and the record industry has seen their revenues start to rise after years of stagnant sales. Many artists, spurred on by a profit motive, have been taking advantage of the new technology to create a wider fan base that may have not been attainable otherwise and reaping the benefits. Digital piracy certainly has its benefits for those that want to obtain music, movies and other media illegally, but it is still illegal. Our economy is based on certain rules and protections and the piracy has a negative impact on many industries. Despite the drawbacks, some industries have figured out how to take the technology used in the illegal activity and benefit from an online presence. It is clear that there is not a one-sided argument.

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