

# UGS Corp. Guide to Software Piracy Prevention



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## **Introduction:**

This guide has been designed to help your business ensure the legal use of UGS software. It discusses the issue of software piracy, the risks of using unlicensed software, outlines UGS' software licensing policy and provides information to help your business avoid potential problems by implementing sound software management practices.

## **What is the law regarding software piracy?**

Software development involves the creative ideas and talents of programmers, writers and graphic artists. Similar to most creative works, such as books, movies and films, computer software is copyrighted material protected by the laws of the United States and international treaties. The copyright laws provide the copyright owner the exclusive right to make copies of, distribute, license and sell its software and the exclusive right to develop new software based on incorporating the original copyrighted work.

The software owner grants to others the right to use the software, typically under the terms of a license agreement. If you copy, distribute or install the software in ways that the license does not specifically authorize, whether you are sharing disks with coworkers and friends or participating in widespread duplication, you are violating federal copyright law. If you assist another person make unauthorized copies, you are also liable under the copyright law.

Making or downloading unauthorized copies of software is breaking the U.S. copyright law, no matter how many copies are involved. You are committing a copyright infringement if you are duplicating software to sell, making multiple copies for use by different users within your organization or business, giving an unauthorized copy to another individual or lending a copy to a friend. It's still infringement even if you don't make any money doing it.

## **What are the penalties for pirating software?**

Software piracy is stealing. If you or your company were caught copying software, you could be held liable under both civil and criminal law. If the copyright owner decides to sue you or your company, the owner can seek to stop you from using its software immediately and can also request money damages. The copyright owner may then choose between actual damages, which includes the amount it has lost because of your infringement (as well as any of your profits attributable to the infringement), and statutory damages, which can be as much as \$150,000 for each program copied. In addition, the government can criminally prosecute you for copyright infringement. If convicted, you can be fined up to \$250,000, or sentenced to jail for up to five years, or both.

In addition to legal consequences, users of pirated or counterfeit software could experience:

- Exposure to software viruses, corrupt disks or defective software
- Inadequate or no documentation
- No warranties
- Lack of technical product support available to licensed users
- Ineligibility for software upgrades offered to properly licensed users

Companies, both large and small, can be held liable for their employees' actions. If an employee is installing unauthorized software copies on company computers or acquiring illegal software through the Internet, the company can be held accountable for copyright infringement – even if the company's management was unaware of the employees' actions.

### **How does UGS license its software?**

Companies and individuals that acquire UGS software become licensees – not owners – of the software and obtain only those rights specifically granted in the associated UGS license agreement. You must have a valid license for each item of software installed. UGS offers a variety of software licenses, such as "node locked," "floating" and "named user." Installation and use of node locked software is restricted to a customer specified workstation. Installation and use of floating software is controlled by a customer specified license server with access limited to the number of concurrent users licensed. UGS software provided on a named user basis is restricted to the individual named user identified by the license management system. Software license fees are based on the type of license and the number of users licensed. UGS only authorizes customers to copy the software as reasonably required in conjunction with their licensed use of the software and for backup purposes. The licenses granted are nontransferable and may not otherwise be assigned without UGS' express written consent.

### **What is the economic impact of software piracy?**

An independent study on global software piracy highlights the serious impact of copyright infringement with piracy losses of more than \$28 billion worldwide in 2003.\* According to the study, piracy in North America, Asia/Pacific and Western Europe continues to account for the majority of revenue losses. The study also estimates the current global software piracy rate to be 36 percent.

In the United States, 22 percent of all business software is unlicensed. The Business Software Alliance ("BSA") estimates that in 2003, the industry lost more than \$6.4 billion in revenue in the United States due to software piracy.

### **How can businesses manage their software properly?**

Proper software management takes time and effort. To ensure the legal use of software in your organization:

1. Assess your organization's needs.
2. Identify the appropriate software profile for each computer user. Create a formal list of software that your company will allow its employees to use. It should include program names, serial numbers, version numbers, number of copies or users permitted by the license, the computers on which copies are installed, and plans to add, upgrade or discard the software in the future.
3. Commit, as an organization, to supplying original, genuine software to meet the software needs of all computer users within the organization.
4. Set realistic budgets for software and hardware.

5. Order and deliver needed software to users timely.
6. Anticipate user needs and plan ahead to meet them.
7. Communicate your organization's commitment to the use of licensed legitimate software.
8. Enforce compliance by periodic audits and take appropriate steps if unauthorized copies are found.
9. Keep all CDs or other storage media used to install the programs on your computers; all original manuals and all license documentation; and all invoices, proofs of purchase and other documents proving the legitimacy of your software. This includes invoices for computer systems that were sold to you with software already installed.

## **What can your business do to prevent piracy?**

For more information about UGS' piracy prevention program, please contact us at [piracy@ugs.com](mailto:piracy@ugs.com) or log on at [www.ugs.com/piracy.shtml](http://www.ugs.com/piracy.shtml).

For additional information about software piracy and proper software management, to obtain a free software management guide or to report piracy, call the toll-free BSA Anti-Piracy Hotline at 1-888-NO PIRACY or log on at [www.bsa.org](http://www.bsa.org). UGS is a worldwide member of the BSA, a non-profit trade association that represents the nation's leading commercial software manufacturers. BSA, dedicated to promoting a safe and legal digital world, educates consumers on software management and copyright protection, cyber security, trade, e-commerce and other Internet-related issues. BSA's other worldwide members include Adobe, Apple, Autodesk, Avid, Bentley Systems, Borland, CNC Software/Mastercam, Internet Security Systems, Macromedia, McAfee, Microsoft, SolidWorks, Sybase, Symantec and VERITAS Software.

\* "First Annual BSA and IDC Global Software Piracy Study" conducted by IDC, July 2004



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