# Napster: Ethical and Legal Issues



Presented by: Tulika Prasad

#### **Outline**

- History
- Techniques behind Napster
- The story of Napster (Lawsuits, shutdown)
- Stakeholders
- Legal issues (DMCA, Copyright Laws)
- Ethical issues (PEO, ACM)
- Technological advancements : Morpheus etc.
- The Future
- Relation with Software Engineering
- Conclusion
- Bibliography



## History

- Who, when :Shawn Fanning, 18, Northeastern University, Boston, 1999
- How: MP3 uses compression, reduces number of bytes without affecting quality
- Why: easy access from internet, free, availability



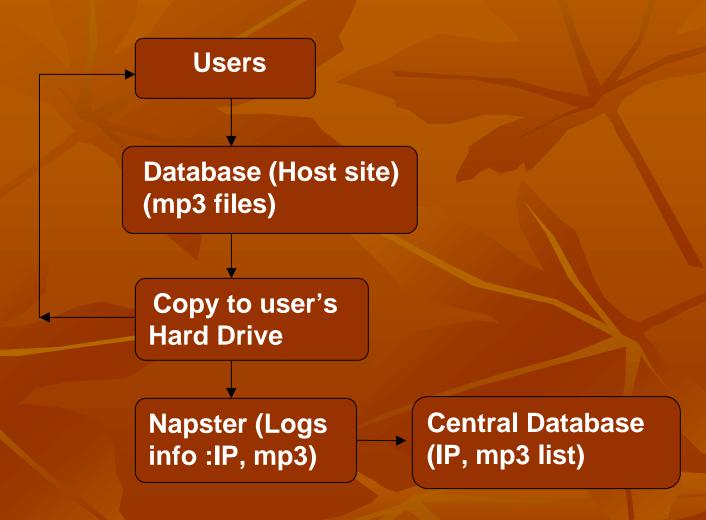
## Techniques Behind Napster

- Peer to peer network (P2P):computers communicating to exchange resources
- Maintained index facility (database) via web
- Centralized directory of mp3s files on its servers

 Doesn't store copies of music on its computer but only on user's HD



## **How Napster Worked:**



## Napster: Right or Wrong?

- File sharing through central server
- Napster directly transfers music from other users' computers
- Continuous monitoring of user's logging info by Napster system

My conclusion: Wrong!

#### Lawsuits and Shutdown

- RIAA (The Recording Industry Association of America) and music companies: Dec 1999, case filed against Napster
- Napster's used "Fair Use", Copyright Act of 1976
- Court rejected the defense: the purpose, amount used, nature of copyrighted work and effect on potential market
- Napster lost, asked to remove copyrighted materials
- More lawsuits by the Academy of Motion Picture Arts and Sciences etc.

#### **Stakeholders**

Music Industry: Artists, singers etc.

Movie Industry

Entertainment Industry

Napster and its employees

■ Its Users : free music, easy accessibility

## Legal Issues

- Copyright infringement under Copyright Laws of the United States (17 U.S.C)
  - Copyright infringement: violating any of the exclusive rights of the copyright owner
- Users infringing at least 2 copyright's rights: the right of reproduction and distribution
- Napster knowingly encouraged and assisted the infringement of copyright

# Digital Millennium Copyright Act (DMCA), Oct 28 1998:

Napster violated two important laws:

- Contributory infringement:
  - a) Direct infringement by 3<sup>rd</sup> party
  - b) User's knowledge of infringement

Napster: didn't prevent distribution of copyrighted material

Vicarious infringement: Napster's control, monitoring services used by users is not allowed

## Online Copyright Infringement Liability Limitation: Section 512 (b,c)

 System caching: limits the practice of retaining copies from the original source

- Storage of information on systems or networks at directions of users: providers must not have knowledge of infringing activity
- Information location tools :same as above

Napster violated laws stated above

## Ethical Issues: Perspectives...

Professional: stealing perspective on behalf of artists

-Unfair: to artists and music industry, artists lose recognition

 Economic: artists loose monetary compensation, music companies loose business

Common good perspective: violated laws of society

#### Ethical Issues cont'd...

 Negative motivation to honest music buyers (CDs, tapes etc)

Personal gain for users: free music

Unclear vision: usually not seen as stealing

 Napster being platform for other such software: increase in competition, financial loss, discouraging

#### Codes of Ethics Breached (ACM)

- (1.5) Honor property rights including copyrights and patent
- (1.6) Give proper credit for intellectual property
- (2.3) Know and respect existing laws pertaining to professional work

(Source: ACM)

#### **PEO:** Codes of Ethics Breached

■ Fairness and loyalty to the practitioner's associates, employers, clients, subordinates and employees

- Fidelity to public needs
- Devotion to high ideals of personal honour and professional integrity
- Give proper credit for engineering work, uphold the principle of adequate compensation for engineering work

## Technological Advancements: Decentralized P2P

- Commonly used software: Morpheus, Kazaa, Gnutella, BearShare
- Morpheus acts as a "Matchmaker" for the searched item (IP address of the user)
  - -decentralized technology :song files are traded directly from the directory of files on user's computer, not via central server (host site)
  - -no way to track information about users
- Make efficient use of the available bandwidth and include powerful search engines

#### The Future

- Current decentralized technologies abide by laws
- Music industry: copyrighted songs available for download on Yahoo! (Sony and Universal)
- Monitor people at the ISP level: violates individual privacy and network security
- User licensing fees
- Technology vs technology: laws for use of protective mechanisms (digital watermarks, encryption technologies) to prevent infringement

## Relation with Software Eng.

- Pirating software without authorization
- Using other's work as one's own without giving them credit

 Sharing, distributing software without consent/authorization of the owner

 Making money by using other's work without compensating them

#### Conclusion

- Decentralized technology: answer to today's demand of exchange of "open ideas"
- Copyright Laws: continuous amendments to support copyright owners
- Unethical to violate laws for own interest
- Give credit to the creator/owner: they deserve it!

#### **Bibliography**

- David S. Cheval, Copyright Protection In The Digital Age: The Case Against Napster
   <a href="http://www.wvu.edu/~wvjolt/Arch/Cheval/Cheval.htm">http://www.wvu.edu/~wvjolt/Arch/Cheval/Cheval.htm</a>
- PEO Guidelines:
   <a href="http://www.peo.on.ca/publications/publicat3.html">http://www.peo.on.ca/publications/publicat3.html</a>
- Law and Policy: <a href="http://www.copyright.gov/laws/">http://www.copyright.gov/laws/</a>
- York, Amanda: Did downloading kill the CD's star?
  <a href="http://www.msnbc.com/news/842630.asp">http://www.msnbc.com/news/842630.asp</a>
- Frederick, Betsy: Ethics in the Age of Napster and MP3, 2002
   <a href="http://challenge.nm.org/teachers/NECC\_CSIT.html">http://challenge.nm.org/teachers/NECC\_CSIT.html</a>
- Muthuraman, Indu and Pesic, Iliya: Intellectual Property: Ethical Ambiguities in Technology

http://cseserv.engr.scu.edu/studentaccounts/ENGR019Winter2

## Bibliography cont'd...

- Testen, Igor: Social and Ethical Issues of Sharing Music over Internet, 2001
  - http://www.wuwien.ac.at/usr/h95b/h9526293/Lectures/English/SE/Documents/ English%20SE%20Music%20Piracy.pdf
- ACM: Publications: http://www.acm.org/pubs/
- Dale, Nell and Lewis, John: Computer Science Illuminated-Ethical Issues,2002
   <a href="http://csilluminated.jbpub.com/ethical\_issues\_chapter.cfm?chapter=3">http://csilluminated.jbpub.com/ethical\_issues\_chapter.cfm?chapter=3</a>
- Mahal, Parvinder Kaur: The Kidnappers of Intellectual Property http://pers-www.wlv.ac.uk/~c9725414/
- Lohmann ,Fred von: Peer to peer file sharing and Copyright Law after Napster

http://www.eff.org/IP/P2P/Napster/20010309\_p2p\_exec\_sum.html