

Software Piracy and the Law

What is the law?

In January 1994 the latest amendments to the Copyright Law entered into force. Software is specifically mentioned and is classified as a literary work. Therefore today it is illegal to copy, sell or rent software without the consent of its author.

Cyprus is a signatory to the Universal Copyright Convention as well as the Berne Convention for the Protection of Literary and Artistic Works. These ensure that non-Cypriot authors enjoy the same protection for their works as Cypriots. Cyprus has also become a founding member of the WTO and thus ratified TRIPS. Furthermore Cyprus is also in the process of harmonizing its legislation to that of the European Union in view of its application for EU membership.

What are the penalties?

If anyone, knowingly makes for sales or hire or sells or lets or exposes for sale or hire any infringing copy of software one commits an offence. On conviction one is liable to fine of up to £1500 and/or 2 years imprisonment and for a second offence, to a fine of up to £2000 and/or up to 3 years imprisonment. Additionally, one is exposed to the possibility of a civil action which can award compensatory as well as exemplary damages. Further the Court may order an account of profits for the infringer as well as the confiscation of reproduction machinery.

What are your responsibilities as a user?

Your first responsibility as a software user is to purchase only original computer programs for your use. Software may be used only as provided in the accompanying license agreement. You or your company must be certain that every copy used on every computer is authorized by the copyright owner, and the license agreement is your guide as to what use is allowed. It is generally illegal to purchase a single set of software and to load it onto more than one computer or to rent, copy or distribute the software or its manuals.

When purchasing, software, make sure to buy only legitimate products. Many counterfeit packaged products are designed to look identical to original manufacturer's products but are inferior in quality. Ensure that:

- The channel of distribution is an authorized one;
- You have obtained a license agreement;
- Original diskettes or CDs are provided;

You should also be careful that you are not buying just an upgrade.

Upgrades can be used only if you have already purchased a program and not on their own.

If you use counterfeit or copied software, then in addition to the legal risks noted above, you also face other business risks including exposure to viruses, corrupted disks and defective software.

When you purchase or use software that is counterfeit or copied, you not only deny the software developer and its distributor their rightful revenue, you also harm the industry as a whole. All software developers, both big and small, spend literally years developing software for public use.

A substantial portion of every of every pound spent in purchasing original software is funnelled back into research and development so that better and more advanced software can be produced.

When you purchase counterfeit software your money goes directly into the pockets of software thieves. The company that developed it never sees a pound. Such revenue losses are harmful because:

- They reduce the amount of money spent on software development;
- They deter the availability of local technical product support;
- They eliminate the ability to distribute software upgrades;

Estimated revenue losses form software theft in Cyprus:

In 1998 it is estimated that illegal copying cost legitimate software developers about 18 million pounds.

Approximately 80%-85% of business software in Cyprus is obtained illegally.

Government commitment to law enforcement:

The amendments to the Copyright Law providing clear protection to software, were voted by the House of Representatives in May 1993. They entered into force though only in January 1994. The purpose of this delay was to allow people to replace any illegal software with original licensed software products.

The Government has now began enforcing the Copyright law through the Police and Customs and so far it has confiscated more than 4000 pirate CDs.