

# Re: How to stop Piracy?

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- *From:* [shevek4@xxxxxxxxx](mailto:shevek4@xxxxxxxxx)
  - *Date:* 20 Apr 2006 07:49:39 -0700
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synkore@xxxxxxxxx wrote:

Several days ago, I got one call from my under-classmate in Notre Dame. Now he worked as the sales director in one famous design software company. He asked me about the electronic design industry in China. He told me that everyone knows that China is a huge market but most company hesitates to enter China market due to piracy.

Everyone knows that piracy has a significant impact on the high-tech industry, resulting in lost jobs, decreased innovation and higher costs.

Actually these things are debatable. I would convince you that intellectual property laws, inherently anti-free market, have resulted in decreased innovation and higher costs, as well as gross mismanagement of resources. But that isn't your question..

As a Chinese who has been working in USA for more than 10 yrs, I understand his worry and I also believe Chinese government has realized this. But it seems a mission impossible to stop piracy in a country like China. But could anyone tell me what's the best way to solve the piracy problem?

In fact it is mission impossible everywhere, to enforce intellectual property laws in any kind of consistent manner.

Any advice will be greatly appreciated!

The so-called "piracy problem" is easily solved, and the answer is to not rely on paying an armed group to enforce a monopoly for you. That has made a lot of money for some, but it shouldn't be that way.

## Re: How to stop Piracy?

You need to include in your business model that any code or product released to the public domain (read: market) becomes free thereafter. There are several ways work with this to make big bucks without relying on intellectual property laws:

1) Go to the customer directly, to commission writing of the software. If your customers are big businesses, or governments, with custom demands, this is how it is always done. You tell them how much it will cost, they pay you, you do it. End of story.

2) Software as service. If your customers are individuals, or you wish to sell the same product to many after you have made it, you need to work with them to make their lives, tasks, whatever it is your software does, easier. Sell manuals, CDs, website access, server access, updates, help, etc. There's no need to rely on intellectual property laws to do this profitably. Some will copy your material and redistribute it, but if they can do the job better than you – they deserve to put you out of business. That's the free market.

3) Advertisements. I don't think this one needs much explanation. Big money here, and no need to rely on intellectual property laws.

4) Managed release to markets (public domain). This is a bit trickier.. here you release some of the software or information to the public domain, either for commission from customers, or for some initial profit as a shrinkwrap. Then, when a base of interested customers is established, you repeat the process with little bits of product. This is basically the "upgrade" model, probably should have been included with software as a service.

5) System maintenance. Skilled programmers will always be paid a lot to keep systems running as they need to.

6,7.. the list goes on and on.

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