In Phil's world, warez dealers are thieves. In warez world, the software companies are the criminals.

"Most products you buy from a store can be returned if you are unsatisfied," reads the beautifully crafted Warez FAQ, on the Inner Circle's Web site. "Software cannot." The Inner Circle thus can claim to have a practical motivation - providing "a place to find something you might want to evaluate before purchasing." All right. "I personally have bought progs that I demo'd first from warez," declares Clickety. "I have more warez than I could ever hope to install on my poor drives. Tested a lot of crap also that I was glad I didn't pay for - deleted it right off the bat. I have recommended software to clients based upon using a pirate version at home."

"Software developers have families, and should be able to support them," reads the Warez FAQ. "We do advocate buying your own software if you really like it and use it heavily," adds Mad Hatter.

As Phil and his friends are well aware, the line between piracy and ownership is very blurred. For example, it's commonplace for 3-D animators and modelers to use pirated, cracked, or at least unlicensed copies of their office software at home, for overtime or experimentation. In some minds, it's even a "necessary evil," a slightly arcane marketing strategy, a rather reckless approach to branding - look at Netscape. Indeed, many software executives privately acknowledge that piracy - especially the attention it brings to new releases - can be a valuable way to develop

markets.

Novell's Martin Smith might disagree. He spends "99.9 percent" of his time fighting piracy, and he worries that the next generation of browsers will seamlessly marry the Web with Usenet. "The newsgroups will be a lot more accessible," he says, with something close to resignation, "which is going to make the whole thing a lot more widespread and give these guys a much bigger market. There's not much we can do, other than encourage ISPs not to take them."

The difficulty is that, once it's up, a Usenet post can generally be canceled only by the author or a sysop from the post's point of origin, "server zero." Even if a cancel is issued, it takes time to ripple across the network. A warez regular would be able to grab the file before it was vaped. Some servers refuse on principle to honor cancels. "Even the most diehard warez hater in news.admin.hierarchy would defend your right to be safe from cancels," claims TAG. Many commercial ISPs have taken the industry's encouragement and dropped the warez groups, but lots of free servers are carrying on. And things aren't helped by the lack of a clear legal framework. Imagine the scenario: a program that belongs to a UScompany is uploaded via a router in Canada to a server in South Africa, where it is downloaded by a Norwegian operating out of Germany using a US-based anonymous remailer, then burnt onto a CD in the UK and sold in Bulgaria. "How would you prosecute that mess?" asks Smith. "It's a jurisdictional nightmare."

And the profit pirates are getting more creative. Smith cites the Web page of one warez guru, offering a premium-line phone number: for $3 a

minute, you can listen to details about the best warez FTP sites, their addresses, and their login passwords. "Updated every three days for your convenience," it declares. It also makes provisions for those dialing from outside the US. The selling of information that leads to illegal use of information - a difficult case to prosecute.

"Our strategy is to bring a critical mass of prosecutions," says Smith. "We'll take out some people who're downloading this material - the gnats - and then we'll take out some of the larger, more organized guys. The people who are packaging it up and zipping it onto CD-ROMs." Which might work in a world where software was always bought on CD-ROM. But in pushing ever deeper into electronic commerce, where more and more real commercial software (browsers, little applets) is being given out for free, where the Internet is the ultimate distribution network, this looks a little ropey. Friction-free markets and friction-free piracy run in tandem. The Inner Circle already has its PGP-encoded giveaway mall in place.

Smith knows all this. There's just not much he can do about it. "All it needs is one server in one country where there are no laws to counter copyright theft, and there are plenty who will - the likes of Libya, Bulgaria, and Iran. One country with a decent enough telephone infrastructure is enough to undo a hundred busts in the West." Even if laws are constitutional or enforced, larger biases come into play. "Try asking a Saudi policeman to arrest a Saudi software pirate on behalf of an American company. Forget it."