

Piracy in the Gaming Industry

Piracy in the Gaming Industry has been around as long as the Industry itself. The desire to pirate games is easy to understand. Getting something for free, or relatively inexpensive, has a huge allure to it. Obviously, the biggest news in the media regarding piracy has been over music downloading, and to a slightly lesser degree, movies. The Gaming Industry is affected just as much, but has not had nearly as much focus by the media as of yet. When games are pirated, whether by a single gamer, or by a mass distributor of illegal copies, we all lose. Pirates may have many various excuses to do what they do, but ultimately it is for purely selfish reasons. It is sad really. They are so self-deluded that they can't see the harm they are doing to industry, and ironically to the quality of the products that they are stealing.

Before going further, the term "pirate" must be explained a little bit first. One of the earliest uses of the term dates back to 1703. The author Daniel Defoe wrote a novel entitled *True-born Englishman*, which was repeatedly illegally copied and spread about. Defoe referred to the violators of copyright as pirates for the first time in history. Today, the term is synonymous with most forms of copyright infringement. Critics of the terminology complain that it unfairly demonizes, and equates the violators with thieves and murderers. But despite those complaints, the term is recognized and fully accepted in courts of law as it pertains to copyright infringement.

Pirates have a myriad of excuses for their behavior. They may have logical arguments to support and justify their infringement of copyright laws, but ultimately they are still just excuses for breaking the law. The most common excuse is that data/information needs to be free, and that piracy isn't really stealing. They make the claim that a copy of a game is just that. It's not the actual product. Nothing is actually stolen, so it is not a crime. Pirates also complain that game prices are far too high, and that greedy developers don't deserve so much profit. This excuse is also used when gamers get too greedy and need every game out there. Rather than pay for all those games, they simply pirate them and save a fortune. Another major excuse heard quite often is when gamers say that they hadn't planned on ever buying the game anyway, so they can justify pirating the game. They think that even if they hadn't pirated the game, there would have been no ill effects on the sales of it anyway. The last excuse to be mentioned is somewhat more legitimate than the previous ones. Some pirates say that they are simply testing the game and its quality before buying. This last excuse can be dangerous. It starts as a valid reason, but in reality, not many actually buy what they have already gotten for free. No matter what excuse a pirate uses, he's still doing it because it's easy. Piracy is easy, rewarding, and there is an extremely low risk of being caught.

It doesn't matter what excuses a pirate uses to justify his actions. The harm has been done. By obtaining and using an illegal copy of the game, he has taken potential sales away from the gaming industry. Even if only a fraction of the gamers who pirated their copies would have bought a legitimate version, those sales would have benefited the industry. It seems so obvious and ironic that they are harming what they love. When pirates affect sales coming into the gaming industry, it creates a multitude of harmful effects. The first effect would be less revenue for game developers, and a smaller budget for future games. Smaller budgets for game developers mean that the games would be of lesser quality, or simply taking much longer to be released. Some game studios may go bankrupt and out of business all together. Sometimes entire gaming platforms become dead, because developers don't want to risk a product on a heavily pirated platform. The actual game developers' salaries are affected as well. Currently, they make roughly \$50k a year salaries. Without piracy, developers could have salaries somewhere closer to \$70k-\$80k a year or higher. If piracy continues and grows too much, the gaming industry could be in real trouble. When a game developer gets to the point where they can't make a profit or break even, there's not much incentive to continue making more games. Game pirates are slowing killing what they love.

A survey of gamers has shown that approximately for every three gamers who purchase an actual version of a game, there is one pirate who owns an illegal copy of that game. In 2008, the gaming industry was estimated as a \$9.5 billion industry. Matching closely with the 3 to 1 ratio of purchases to pirates, it was also estimated for 2008 that the industry lost roughly \$3 billion due to piracy. These dollar estimates though, must be taken with a grain of salt. The heads of the industry are making the claim that they could be making roughly \$12.5 billion in sales of their games. While this would be ideal, in the sense that if every pirated copy would have been purchased legally, it is slightly unrealistic. Not every pirated copy would be a purchased copy. On an optimistic level though, even if half of those pirated copies are bought instead, that would still be fantastic for the industry. It would definitely be a step in the right direction.

Taking a look at the level of piracy as it applies to the current generation of platforms; there are two main handheld systems and four main home systems. The handhelds are the Sony PSP and the Nintendo DS. With piracy, the PSP has had the misfortune of being hacked pretty early on from its initial release. Being hacked meant that it is easier to pirated copies on the system. Many gamers have complained that there is a lack of triple A titles on the PSP. Basically, the PSP platform is risky for developers because of the potential loss of sales of their games due to piracy. The DS has had a somewhat more successful run since the games are in cartridge form and more difficult to copy. Recently though, pirates have begun using a flash card reader device that uses game ROM's, and plays them on the DS. Moving on to the home systems, there are the three consoles; the Sony PS3, the Microsoft XBOX

360, and the Nintendo Wii. The PS3 has it the best in the battle against pirates. The system has only been partially hacked so far. Also, the PS3 uses the fairly new Blu-Ray technology which currently is expensive to copy. The Wii hasn't had too many problems with piracy until recently. Pirates have begun installing mod chips into their systems that allow for the use of illegally reproduced games. The 360 has game software that is similar to the PC, which will be discussed in a moment, and has been easily hacked. Also, the system has had mod chips installed as well by pirates. The last home system, the PC, is easily the most pirated platform for games. Pretty much every piece of game software has been cracked for the PC at some point. PC pirates have an incredibly easy tool to use called BitTorrent. They can download practically any game they want with this tool. For example, the game Spore had close to 2 million illegal downloads in just over 2 months. Because of all the rampant piracy on the PC, there are many who speculate that PC gaming is going to die soon. They claim that no developer will want to spend time and resources making games for the PC if it will just be pirated. Hopefully, it will not come to that.

Tactics by game developers to combat piracy so far have been largely ineffective. The most often used technique is DRM. Digital Rights Management over the years has been varied, and at times laughable. Pirates will always find a way around it, and even sometimes using the DRM itself as a means to help them pirate it (as in the case of the game Spore). DRM harms and hinders the legitimate buyers of games more than the pirates, and should be done away with. There are much better ways to check for legitimacy of purchase, such as with Valve's Steam digital distribution system. With Steam, you basically just use it as a launch pad that keeps track of which games you own, and it checks your authentication when you start the game. Another way for a game to remain piracy-free is by only running the game from official servers. World of Warcraft is an example of such a game. WoW is practically free of piracy, because to play it, you must have a subscription and an authenticated user ID to connect to the server that contains the control for the actual game. A new tactic used by game developers is to release demos of their games onto BitTorrent sites under the guise of the full game. When downloaded, the pirates are stuck with a demo instead of the full game. Many game studios are creating much more satisfying demos nowadays, and are convincing gamers that they are worth buying. When it comes down to it though, all gamers need to be educated as to the effects that piracy has on the industry. When gamers take responsibility for their actions, they can vastly improve the state of the industry and benefit more from what they truly enjoy.

My Opinion

It is unlikely that we will ever be completely rid of piracy in the gaming industry. We can however attempt to minimize it. Doing so may take a reworking of how we distribute games, and of how we start up games. We have to educate our current generation of gamers as to the negative effects of piracy to the industry. I feel that the most important aspect in fighting piracy is in accepting the fact that we each make a difference to the industry. Every game I buy is showing my support of that platform and of that game developer. We gamers have to be mature and not be greedy, and support what we enjoy. On a moral level, it is obviously the right thing to do. Buy your games.

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