

The Ethics of Microsoft Taking on End User in China

Midterm 1 Outline

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Introduction

Background

I Fundamental question of copyrights and patent

II Rights of the consumers

III The Bigger Picture

Conclusion

Bibliography

Introduction

- Law suit over software piracy is common place in the world today.
- Loss of revenue to software companies as a result of piracy is estimated to 9.2 billion US dollar world wide in 2002 (China the biggest contributor at 1.85 billion)
- 12/17/1999 Software Giant Microsoft began a new war against end user in landmark case of *Microsoft vs Beijing Yadu Science and Technology Group*.
- Yes, I believe software copyrights have its moral and ethical justification and software companies do deserve some rights to make money for the product they make
- But the question that one often forget to ask is “What ethical responsibility does an 800 pound guerrilla like Microsoft has to its end users?”
- Has Microsoft gone too and crossed the line of moral responsibility by suing end users?
- Some may wonder why should Microsoft look at moral responsibility when it’s the end user who violated the law? Differentiate between law and morality.
- At what point should the huge global software company should begin to be mandated to look the ethical responsibility it has instead of always watching out for the bottom line?
- Shouldn’t we also consider the rights of consumer?

Background (*Microsoft vs Beijing Yadu Science and Technology Group.*)

- Elaborate on some details of the case.
- Although the case was dismissed as a result of technicality but important because it symbolizes a new aggression by big corporations to take on the little guy.
- Microsoft trying to send a message to Chinese end users, "End user with copied software be ware!"

Body of Arguments

I Fundamental question of copyrights and patent in software still in question.

- One must not forget that the question of whether software should be patented or even copyrighted is still a hotly debated topic despite international law on intellectual property
- As Wang Xiadong of Strategy and Management magazine bluntly pointed out “Who owes Whom” His argument is computer science built upon fundamental laws of nature such as math, science etc. Why should a young field such computer science which owes its existence to other fields be allowed to make money off the hard work of other field?

II Rights of the consumers should be considered (Rights Based Ethics: Contractarianism)

- In case of software copying, often look at only the rights of company to sue
- By selling software in China, Microsoft ethically entered into a sort of contract with Chinese society
- As part of Chinese society, Microsoft needs to realize 99 percent of people cannot afford computer software at its original price.
- Microsoft has the "right" to make money. Concept of fairness dictates that people in general should not be denied the right to its use.
- By making price of its software high, Microsoft renders "pirating" only alternative for end users to have the use of its product.

III The Bigger Picture : Software piracy is a big contributor to the spread of computer use all over the world, Good for society

- Mid-1998, Bill Gates said “ As long as people are going to steal it (pirate software in China), we want them to steal ours. They'll get sort of addicted, and then we'll somehow figure out how to collect sometimes in the next decade”.
- As quote indicates, Microsoft realized the value of piracy because it promotes computer use.
- It is a fact that majority of the world population if they all had pay for all software at its original price, would not be able to afford to use computers at all.
- So what responsibility does company such as Microsoft who gets the people addicted to its software like drugs?
- inaccurate to estimate the cost by simply multiplying price per copy of software by the number of copies pirated.
- The Utilitarian perspective. If the end user copying results in the advancement of software, why should we stop it? If the end result is for the good of Chinese society?

Conclusion

- Companies should look at its own corporate responsibility to the society instead of just its bottom line.
- It is wrong to pirate software and sell it at a to someone else. That would be outright stealing.
- However, copying software a consumer in itself should be justifiable if the act of copying contribute to the greater good of society (Utilitarian perspective)
- Microsoft shouldn't be so aggressive in law suits against

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