

BSA | The Software Alliance Sees Ohio as Hotbed of Software Piracy; Scott & Scott, LLP Suggests Ohio Companies Avoid Costly BSA Audit Mistakes

BSA | The Software Alliance (a/k/a The Business Software Alliance) began a radio campaign that says Ohio ranked 6th in the U.S. in software piracy according to media monitoring service, AdscopeTM. Intellectual property and technology law firm, Scott & Scott, LLP, cautions Ohio businesses on how to handle a BSA audit letter.

Southlake, Texas (PRWEB) April 24, 2013 -- Cleveland radio station WMMS listeners started hearing this message from BSA | The Software Alliance (according to AdscopeTM a media monitoring service) last week:

"Hey there Ohio. Announcer states that Ohio ranked 6th in the US in software piracy. Report software piracy confidentially to BSA, You will also be eligible for cash reward. Go online Nopiracy.org or call 1-888-NOPIRACY"

<u>The Business Software Alliance</u>, a global software industry trade association, whose members include IBM, Oracle, Microsoft, Adobe, Symantec, and Autodesk, conducts copyright enforcement actions on behalf of its members.

What Ohio Businesses Need to Know

"The BSA has no independent law enforcement authority of any kind. Its rights are derived from a power of attorney provided by its member software companies. Those companies have rights created by their software license agreements and under the laws protecting copyrights", according to Robert J. Scott, Managing Partner, Scott & Scott, LLP, whose firm focuses on software audit defense.

BSA | The Software Alliance usually initiates an investigation after it receives a confidential report of unauthorized software use. Targeted companies are contacted by the BSA's attorneys, who request that the company conduct a self audit and report the results. Companies targeted for audit are not required to cooperate with trade associations or publishers, but resolution without litigation is highly unlikely unless the target company agrees to participate in a voluntary audit. "We usually recommend cooperation and not litigation", Scott said.

A number of legal issues are implicated in <u>software audits</u>. Although software usage is governed by a contractual license, the software industry generally relies on the stronger protections afforded by the federal Copyright Act of 1976. The act provides stiff penalties – up to \$150,000 per violation if the infringement is willful. In addition, officers and directors of corporations who infringe copyrights may be found individually liable.

The audit process is lengthy and arduous and often affected by costly mistakes. Scott says, "I have seen many businesses make the mistake of scrambling to purchase additional software upon receipt of the BSA letter. The date of the first letter is the 'effective date' and they generally will not credit any licenses purchased after that date."

Another mistake is the use of an inadequate tool to conduct the kind of audit called for by the BSA.



There are many ways a business can tackle a software audit. It may hire a law firm that specializes in software audits, hire an external IT consultasnt or do an in-house audit.

The BSA often suggests a number of tools to assist with a self-audit, many available for little or no licensing fees, making them appear attractive alternatives. Because software tools are not sophisticated enough to discern between free trial software or remnants from previous installations and full installations, it can result in significant consequences. When conducting an in-house software audit, look for any mistakes in the audit results to ensure that the report reflects what was installed as of the effective date of the audit before submitting any information to the auditing entity.

About Scott & Scott, LLP (www.scottandscottllp.com) (www.s

Robert Scott, a recognized expert on software compliance and defense, is available for interviews.

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