

BUSINESS

Software Firms Ask Congress For Protection From 'Pirates'

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PROVO, Utah, Aug. 24—The nation's computer software industry needs protection from pirates who are defrauding them with copies and cheap rentals, officials told a Senate subcommittee hearing here today.

For every software program made and sold in the United States, "at least one pirate copy is made," Thomas Chan, an attorney for Adapso Inc. of Arlington, Va., told the hearing by the Senate subcommittee on patents, copyrights and trademarks. "Loopholes in the U.S. copyright law have encouraged pirates to restructure themselves as software rental outfits."

Sen. Orrin G. Hatch (R-Utah), the hearing chairman, said the proposed Computer Software Rental Amendments Act could resolve industry concerns over "estimated loses of \$4.1 billion each year.

"The amendments are similar in nature to the problem the Congress resolved in 1984, which now protects copyrighted sound recordings," Hatch said.

"Unless Congress acts quickly, the embryonic rental industry could soon grow out of control, becoming a cancer which could kill off the legitimate software development industry by which it was created," he said.

Chan told Hatch he knows of one WordPerfect Corp. software program that costs \$495, but can be rented for as low as \$35.

And Alan Ashton, president of Orem, Utah-based WordPerfect, said, "We're not asking you to change the law to prohibit the rental

of software. We are asking only that the right to authorize rental be given to us, the copyright owners."

Ashton said his company has spent the past 10 years developing its software programs and it now

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— Thomas Chan, attorney

needs a return on that investment "to continue to improve our product and provide customers service."

Heidi Roizen, president of T-Maker Co. and representing the 350-member Software Publishers' Association of Washington, D.C., said she did not believe "any of the industry giants could have been able to establish their position if their initial products had been taken by commercial exploiters," such as rental shops.

"It is vital to our entire industry to nip commercial rental and commercial exploitation in the bud," said Roizen. "We are an industry without protection."