

Intellectual Property Theft

Your business at risk

- ◆ Confidential commercial information available to hackers
- ◆ Computer systems open to viruses and other attacks
- ◆ Damaging legal action as IP theft is against the law



Don't take risks
Protect your company
Respect intellectual property



Value of Intellectual Property

Intellectual property – ideas and innovation – are the lifeblood of many UK businesses, especially those which are small or medium in size. Successful companies understand the importance of protecting their own intellectual property, through patents, trade marks, design rights, copyright and contracts. They should therefore understand the importance of respecting the intellectual property of others, for example through ensuring business software is legitimately purchased and properly licensed.

What is IP theft?

Intellectual property theft can occur in businesses when DVDs, CDs, software or written material, such as books and journals, are illegally copied or used without the permission of the rights owner, whether through official purchase, licence, or any other form of agreement. For example putting software on to more computers than the licence allows.



Why it is important to protect and respect IP



Intellectual property theft, whether by the company as a whole, or by individuals within it using business facilities, can have serious repercussions for companies:

- ◆ Illegal filesharing can seriously affect the security of companies' networks. Spyware can find its way onto systems and bypass firewalls. **An ICM survey of company directors found 82% of respondents were 'very concerned' about virus infections, hacking or other security breaches on their network as a result of staff illegally downloading or file sharing.**
- ◆ Productivity can be affected as attention is diverted away from core business activity. **In the same survey 78% of respondents were 'very concerned' about staff wasting time through downloading or filesharing copyright material while at work.**



- ◆ Software piracy and other forms of copyright theft are illegal with companies found to be using unlicensed software liable for prosecution. **Directors can face fines of up to £5000 in a Magistrates' Court and/or 6 months in prison, and in the Crown Court unlimited fines and/or up to 10 years in prison.**

General ways for businesses to reduce risks

Individual companies need to decide for themselves their policies on issues such as staff Internet access and email usage. However, there are some simple procedures all companies can put in place to protect themselves from the unwanted consequences of such activity.

1. IP COMPLIANCE POLICY

The main action companies can take is to ensure they have clear staff policies in place preventing infringement of intellectual property along the lines of Health and Safety and Environmental Policies, as well as a disciplinary process and a will to enforce it should the policy be abused.

This is simple, clear and means companies do not have to place undue restrictions on their staff over photocopying, Internet use and email. Instead, what is being encouraged is proper, legal use of these facilities.

A clear IP compliance policy will help to raise awareness within the business of the value of IP as well as dealing with problems such as viruses, spyware, malware, peer-to-peer software and other network security issues. By teaching staff to respect the intellectual property of others, it helps them to understand the importance of your own company's IP. Companies need to also ensure only legitimate, licensed traders are allowed on to work premises.

To download a sample policy visit:

www.allianceagainstiptheft.co.uk/ac_dir.htm

2. REGULAR CHECKS TO ENSURE SYSTEMS ARE NOT RUNNING ILLEGAL / UNLICENSED CONTENT

There are a number of software programs available. Run on a regular basis they identify illegal or unlicensed material which can then be removed from the network.

IFPI offers a program called Digital File Check. Further information can be found at:

www.ifpi.org.uk/content/section_resources/digital-file-check.html

The Business Software Alliance and members of the Federation Against Software Theft also provide audit tools, software and advice. Information can be found at:

www.fast.org.uk/memberlist.asp?s=servicetool

www.bsa.org.uk/antipiracy/Free-Software-Audit-Tools.cfm

Business Activity	Associated Risks	Methods of Reducing Risks
<p>Open internet access</p> <p>Instant messaging</p> <p>Private email use during working hours.</p> <p>WiFi Connections</p>	<ul style="list-style-type: none"> ◆ Infiltration of malware i.e. viruses, spyware, adware, keylogging, phishing, trojans ◆ Loss of capacity of main system hard drives due to unauthorised downloading / uploading ◆ Peer-to-Peer software opening a hole in security systems and confidential information shared with the world ◆ System attacks; denial of services, directed denial of services, computers taken over as zombies for these attacks ◆ Identity theft leading to possible extortion etc. ◆ Illegal content on systems i.e. unlicensed software, illegal music, games and video files, publications 	<ul style="list-style-type: none"> ◆ Draw up appropriate policies and processes ◆ Communicate policy and reason for it to staff ◆ Enforce policy with technical tools e.g. e-mail monitoring software and disciplinary procedures ◆ Run specialist software for prevention, detection and recovery of malicious software ◆ Create appropriate logical access control within the network ◆ Regularly audit (using software tools) and verify your software estate ◆ Regularly audit and review the security management system
<p>Non-company owned mobile devices connected to the network</p>	<ul style="list-style-type: none"> ◆ Mobile devices infecting the system ◆ Mobile devices infecting other mobile devices ◆ Compromised main systems effecting mobile devices 	<ul style="list-style-type: none"> ◆ Draw up appropriate policies and processes to control use of such devices ◆ Communicate policy and reason for it to staff ◆ If required lock down the access points (Ports, USB, Disk drives, infra-red) ◆ Run specialist software which prevents and detects the presence of unauthorised devices ◆ Only allow appropriate physical access ◆ Regularly audit (using software tools) and verify your software estate ◆ Regularly audit and review the security management system
<p>Installation of unlicensed / illegal software</p> <p>Allowing illegal traders into office premises selling counterfeit and pirated material</p>	<ul style="list-style-type: none"> ◆ Viruses ◆ Legal action by rights' holders ◆ Damage to company reputation if prosecuted ◆ Chance that your own intellectual property may be abused ◆ Legitimising other illegal activities such as money laundering, drugs and offensive weapons dealing, benefit fraud, people smuggling 	<ul style="list-style-type: none"> ◆ Draw up appropriate policies and processes ◆ Communicate policy and reason for it to staff ◆ Run specialist software for prevention, detection and recovery of illegal or unlicensed software ◆ Regularly audit (using software tools) and verify your software estate ◆ Regularly audit and review the security management system ◆ Draw up appropriate policies and processes ◆ Communicate policy and reason for it to staff ◆ Verify trader's credentials before allowing access to company property
<p>Lack of proper licensing for using/reproducing/ playing copyright protected material</p>	<ul style="list-style-type: none"> ◆ No respect within the company for intellectual property ◆ Legal action by rights holders 	<ul style="list-style-type: none"> ◆ Obtain legal advice on copyright ◆ Ensure that software produced 'in-house' does not infringe on existing products/rights ◆ Ensure right licenses exist for using/reproducing/ playing all forms of copyright protected material ◆ Have systems in place for software asset control ◆ Have systems in place for software asset record verification

Members

The members of the Alliance Against IP Theft are:

Anti Counterfeiting Group

British Brands Group

British Jewellery, Giftware and Finishing Federation

British Music Rights

British Phonographic Industry

British Video Association

Business Software Alliance

Cinema Exhibitors Association

Copyright Licensing Agency

Entertainment and Leisure Software Publishers Association

Entertainment Retailers Association

Federation Against Copyright Theft

Federation Against Software Theft

Film Distributors' Association

Institute of Trade Mark Attorneys

Publishers Licensing Society

Video Standards Council



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