



ONLINE PIRACY PREVENTION, DETECTION AND ENFORCEMENT

INNOVATIVE MONITORING SOLUTIONS
TO PROTECT COPYRIGHTED CONTENT

EXPERTS WITH IMPACT™



More than 300 billion visits were made to piracy websites in 2017,¹ **resulting in billions of dollars in lost annual revenues for content developers.**

¹ Source: *Variety* article: "Fifty-Three Percent of People Who Access Pirated Content Agree It's Wrong to Do So (Survey)" by Todd Spangler, June 6, 2018.

The Growing Threat of Online Piracy

Piracy of copyrighted content – whether software applications, movies, television shows, music or games – is growing more pervasive due to technological advancements that enable for easier connecting and sharing of materials. From eager fans downloading illegal copies of their favorite TV show before the release date, to employees unknowingly copying pirated software at work, piracy is a global issue with substantial financial implications.

REVENUE LOSSES DUE TO INTERNET PIRACY



SOFTWARE INDUSTRY

According to a report by BSA, in 2017 the commercial value of unlicensed software was \$46.3 billion globally²



MEDIA AND ENTERTAINMENT

The Indian media and entertainment industry currently losses approximately \$2.8 billion annually to piracy³ and globally, online piracy of the Media & Entertainment industry will grow to US \$52 billion in lost revenue by 2022⁴



GAMING INDUSTRY

The gaming industry estimated losses of \$72 billion globally on piracy in 2016⁵



PUBLISHING

The total loss of sales due to illegal downloading of e-books was \$315 million⁶

In addition to the above fiscal impacts, studies show that online piracy leads to substantial job losses within the affected industries. Companies can also face reputational risk if consumers unknowingly experience pirated content of low quality.

² Source: https://www.bsa.org/news-and-events/news/2018/june/gl06052018gss?sc_lang=re-AP

³ Source: <http://ficci.in/ficci-in-news-page.asp?nid=14119>

⁴ Source: http://keic.mica-apps.net/wwwisis/open%20access%20resources/FICCI/FICCI_KPMG_2018.pdf

⁵ Source: <https://medium.com/triforcetokens/piracy-within-the-gaming-industry-59becb749f19>

⁶ Source: <https://www.digimarc.com/docs/default-source/default-document-library/inside-the-mind-of-a-book-pirate>

The Traditional Approach to Combatting Online Piracy is Too Reactive and Slow

Over the years a number of best practices have emerged to prevent piracy. This includes:

- Reaching out to ISPs to help block URLs that are suspected or proven to be hosting content illegitimately;
- Involving credit card companies and search engines in curbing the revenue side of the piracy for websites selling premium content at a cheaper rate;
- Working with law-enforcement agencies on a case by case basis for taking legal action against suspects.

However, these actions can only be made after the offending website is identified, and can often take days, weeks or longer to complete. In other words, these actions are too reactive and slow to adequately address today's online piracy challenges.

As a recent example, an Indian entertainment company obtained a court order to block over 12,000 domains names at the ISP level, to prevent piracy of a soon-to-be-released sci-fi movie. Unfortunately for them, this approach didn't work as a well-known piracy website still managed to leak a complete copy of the movie one day after the release date by making a small change in the domain name.

⁷ Source: *Business Insider India* article: "Do You Know How Big Online Piracy Really Is?" by Saikat Pyne, March 31, 2016.

⁸ Source: *LiveMint* article: "India Among Top Five Countries for Peer-Driven Piracy" by Lata Jha, August 21, 2018.

⁹ Source: Ibid.

¹⁰ Source: Ibid.

SPOTLIGHT ON INDIA

70% of Indian users **don't find anything wrong in downloading pirated content.**⁷



94% of Indians admitted to using some **form of piracy to download music.**⁸



India is ranked among the top five countries **worldwide for P2P downloads, with over 965 million P2P downloads between January 2017 and May 2018.**⁹



India ranks fourth in **downloading of Blu-ray files (171 million).**¹⁰



Innovative Solutions to Address Online Piracy

FTI Consulting provides a range of solutions to help clients rapidly detect and track internet piracy in real-time. This can include a fully automated anti-piracy platform and advanced data analytics services to identify and target online piracy sites as part of an effective anti-piracy strategy.

Our team brings deep expertise in working on these types of matters for clients in a range of industries including media and entertainment, video gaming and software. FTI Consulting's anti-piracy services are focused on quickly and proactively detecting piracy actions and enabling follow-on enforcement actions. Services include:



ACTIVE MONITORING

Our forensic technology experts leverage industry knowledge and advanced technology to actively crawl and monitor the internet in real time. We can detect pirating activity when it occurs and pinpoint the source of the infringement.



AUDITING SERVICES

Working with clients to determine the parties, nature, duration and projected losses relating to digital piracy activity, we help them understand the extent of the problem and options for recovering from it. This includes reaching out to offending parties to notify them of the violation and demand they cease to use the stolen IP.



REMEDIAL ACTION

Our team supports clients in following through on audits and investigations by collaborating with law enforcement and/or leveraging evidence to remediate through litigation.



INVESTIGATIONS

Our digital forensic investigators collect and analyze evidence that will support a case or law enforcement action against digital pirates or businesses that are using stolen software. We ensure that every potential source of supporting information is evaluated. Throughout the entire litigation lifecycle—from data collection and culling to review and production for possible presentation in court—FTI Consulting employs proven methodologies that provide a strategic and logistical advantage, while minimizing the impact on daily business operations.

Expertise with Detecting Corporate Espionage and Working with Law Enforcement

Our team of professionals has deep expertise working with clients and law enforcement agencies to address the root causes of piracy and proactively tackle this growing problem.

EXAMPLES OF OUR TEAM'S WORK INCLUDES:

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Following the departure of an employee with access to critical, proprietary code, our team helped a video game company investigate suspicions that the former employee was using stolen IP to launch a similar game. The professionals located the new game, which was competing for revenue in the multi-billion-dollar mobile games industry, and reverse engineered it to confirm it was built upon the same code as our client's game. Using the evidence from our investigation, our experts helped the client take legal action and have the infringing game shuttered.



In one incident involving a global software company, FTI professionals identified companies in Europe and the U.S. that were actively using cracked copies of their product. Using phone home code and licensing alerts, the experts completed the audit and helped the client locate the unlicensed users, ultimately providing evidence to put a stop to the unlicensed use and recover the losses.



A highly popular TV show was leaked globally online before its release. Active monitoring allowed our professionals to locate when and where the leak originated. The experts determined the site and users that were sharing the leaked content and supported the media company in investigating and remediating losses.



A software manufacturer detected that a company used its software without paying for a license and turned to FTI Technology for help investigating the matter for potential legal action. FTI Technology's digital forensic experts found key evidence of usage and spoliation, including forensic evidence that the company deleted the software and associated logs immediately prior to the onsite inspection by FTI Technology.

About **FTI Technology**

FTI Technology solves data-related business challenges, with expertise in legal and regulatory matters. As data grows in size and complexity, we help organizations better govern, secure, find, analyze and rapidly make sense of information. Innovative technology, expert services and tenacious problem-solving provide our global clients with defensible and repeatable solutions. Organizations rely on us to root out fraud, maintain regulatory compliance, reduce legal and IT costs, protect sensitive materials, quickly find facts and harness organizational data to create business value. For more information, please visit www.ftitechnology.com.



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About FTI Consulting

FTI Consulting is an independent global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities. For more information, visit www.fticonsulting.com and connect with us on Twitter (@FTIConsulting), Facebook and LinkedIn.

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