

# Exploring Spyware Effects

Martin Boldt, Bengt Carlsson & Andreas Jacobsson

School of Engineering, Blekinge Institute of Technology, S-372 25 Ronneby, SWEDEN

{martin.boldt;bengt.carlsson;andreas.jacobsson}@bth.se

**Abstract --** In this paper, we discuss various types of spyware programs, their behaviour, how they typically infect computers, and the propagation of new varieties of spyware programs. In two experiments, we investigate the occurrence and impact of spyware programs found in popular P2P applications. Based on the findings from the empirical investigations, we try to lift the perspective to a more general view on spyware deriving from the theory of (virtual) network effects. In a model, we categorize in what ways spyware might decrease the utility of belonging to a large virtual network. Here, the baseline is that spyware programs intrude systems and networks, but since they profit from user data they also intrude user privacy. In the model, the intrusions are classified as moderate, severe or disastrous. We found that spyware has the potential to overthrow the positive aspects of belonging to a large network, and network owners should therefore be very careful about permitting such programs in applications and on networks.

**Index Terms --** Malware, network effects, P2P, spyware.

## I. INTRODUCTION

During recent years, the world has seen the introduction of peer-to-peer (P2P) systems. P2P technology provides several beneficial solutions like, e.g., file-sharing, grid computing, web services, groupware and instant messaging (IM) [7]. P2P refers to a technology which enables two peers or more to collaborate in a network of equals [7] [10]. This may be done by using information and communication systems that are not depending on central coordination. P2P technology was first widely deployed and popularized by file-sharing applications such as KaZaa and IM tools like ICQ.

Even though there are several benefits with belonging to a large virtual network such as a P2P file-sharing network, the rising occurrence of malicious software (malware) may seriously impact the positive utility of using P2P applications. Usually, only the positive effects that increase utility are emphasized when discussing participation in large networks [5]. One example is the theory of virtual network<sup>1</sup> effects. Network effects are usually described as when the

value of a product to one user depends on how many other users there are [11]. Often, utility of the system is proportional to the aggregate amount of resources that the participants are willing to put together. On information technologies, users generally benefit from utilising a popular format, system or application [11]. Typically, technologies subject to strong network effects tend to exhibit long lead times until a critical mass of users is obtained [5]. Then, explosive growth is followed. From the perspective of a network owner, a large network may help to create a strategic advantage useful for competition and growth purposes [1]. From the perspective of a network user, the larger the network is, the more valuable it will be to participants and users [1].

There are two kinds of feedback from network effects: positive and negative [11]. Positive feedback can be explained in that when a person joins a network, the network gets bigger and better, to everyone's benefit. However, large networks may also be exposed to negative feedback, which bring about significant risks and severe consequences for all of the network nodes. Therefore, negative feedback may decrease the utility of belonging to that network. To large networks, such as P2P file-sharing networks, there could be numerous examples of applications (e.g., malware), which contribute in creating negative effects that impact network utility. However, in this paper, we focus on one of these applications, namely spyware.

There are many different kinds of spyware, and hundreds of such programs exist throughout the Internet today [9]. Spyware programming is a relatively new computing phenomenon. Although there is no precise definition, the term "spyware" is typically used to refer to a category of software that, from a user's perspective, covertly gathers information about a computer's use and relays that information back to a third party. In this paper, we use the term spyware in conformity with this common usage. However,

---

<sup>1</sup> A virtual network describes a network of users bound together by a certain standard or technology, and where the exchange of information is the foundation for any information transaction. One example is the Internet.

in II, we look into and discuss some of the current views on the concept of spyware.

Even though most people are aware of spyware, it seems that the research community has spent limited effort on understanding the nature and extent of the spyware problem. However, so far there have been some initial research attempts (see for example [17] [4] [9]) of which this paper is an additional effort. On the other hand, most network practitioners and experts agree that spyware is a real problem with increasingly negative effects. One example of this view is derived from the Emerging Internet Threats Survey 2003 [3], which states that one in three companies have detected spyware on their systems, while 60% consider spyware to be a growing and future threat. Also, 70% of the companies consider that file-sharing over P2P networks is creating an open door into their organisation. Another example is an investigation made by Earthlink (one of the major American ISPs) [13]. Earthlink set to measure the occurrence of spyware on more than 2 million computers connected to their network. A total number of 12.1 million different spyware types were detected. Out of these, Trojan horses and system monitors approached 700 000 instances, and the remaining 11.4 million instances were classified as adware. Also, experts suggest that spyware infect up to 90% of all Internet-connected computers [13].

In summary, spyware is a problem that should be taken seriously, because it may have the potential to threaten the utility of belonging to a large virtual network. In this paper, we focus on exploring the effects of spyware programs that are bundled with several P2P applications. The aim is to investigate the implications on system capacity, network bandwidth, security and privacy. Besides introducing results from empirical investigations, we also discuss the network effects of spyware.

The paper is organised as follows. First, we give an introduction to spyware, in which we discuss the various kinds of spyware programs, their behaviour, how they typically infect computers, and the proliferation of new varieties of spyware. Next, we investigate the occurrence and impact of spyware programs found in popular P2P applications. In IV, we discuss the findings from the experiments and also try to lift the perspective to a more general view on spyware deriving from the theory of virtual network effects. In the end, conclusions are presented.

## II. ON SPYWARE

### A. *The Background of Spyware*

As stated by [9], spyware exists because information has value. The idea with spyware is simply to fetch information. If a software developer can get revenue from

advertisers, the owner can afford to make the software available for free. The developer is paid, and the user gets free, quality software. Usually, the developer provides two versions of the software, one for which the user has to pay a fee in order to receive, and one version that is freeware supported by advertising. In these cases, free software typically includes programs set to display advertisements and offers to the users (that is; adware). Therefore, the user can choose between the free software with the slight inconvenience of either pop-up ads or banners, or to pay for software free of advertising. So, users pay to use the software either with their money or with their time.

This method of including rather benign adware when developing and distributing free software was common until marketers noted three separate trends that pushed the development of adware into a different direction. The background was that:

- standard banner ads on the Internet were not delivering as well as expected (1% click-through was considered good) [15],

- targeted Internet advertising typically performed much better [14], and

- while office hours were dead-time for traditional advertising (radio, TV, etc.), many analyses showed a surprisingly high degree of personal Internet usage during office hours [14].

The conclusion was that targeted Internet advertising was a whole new opportunity for the marketing of products and services. All that was required was a method for monitoring users' behaviour. So, once the adware was monitoring users' Internet usage and sending user details back to the advertiser, banners more suited to the users' preferences and personality was sent to the users in return. The addition of monitoring functionality turned adware into spyware, and the means to target advertising to interested parties accelerated [15]. In reality, the data collected by spyware is often sent back to the marketing company, resulting in display of specific advertisements, pop-up ads, and installing toolbars showed when users visit specific web sites. In this sense, spyware programs became technologies used to fetch valuable customer information.

### B. *The Operations of Spyware*

The usual method for a spyware is to run secretly in the background of the users' computers [6]. The reason for this concealing of processes is commonly argued as that it would hardly be acceptable if, e.g., free file-sharing software kept stopping to ask the user if he or she was ready to fetch a new banner or a pop-up window [15]. Therefore, the client/server routine of spyware is normally executed in the background. In practice, there would be nothing wrong with spyware running in the background provided that the users know that it is happening, what data is being trans-

mitted, and that they have agreed to the process as part of the conditions for obtaining the freeware. However, most users are unaware of that they have software on their computers that tracks and reports on their Internet usage. Typically, a spyware program covertly gathers user information and spreads it without the user's knowledge of it. Once installed, the spyware monitors, e.g., user activity on the Internet and transmits that information in the background to third parties, such as advertising companies. In reality, spyware run constantly, even when their carrier program, e.g., a file-sharing tool, has been terminated.

A more or less legal grey area is exploited by the spyware actors, since they in most program licenses specify that information may be gathered for corporate purposes. However, the usual model is to collect more information than have been asked for [15]. Besides this, most license agreements are formulated in such a way that they are extensively hard for users to understand.

### C. *The Types of Spyware*

There are many different kinds of spyware. For instance, one of the leading anti-spyware tools, PestPatrol, has a record of over 1400 instances of spyware published on their web site [8]. In order to make the spyware domain more graspable, we present the following classes of spyware. This classification is in conformity with a recently published study on measurement and analysis of spyware [9], although when presented here, the order of spyware types ranges from minimum to maximum user impact:

--Cookies and web bugs: Cookies are small pieces of state stored on individual clients' on behalf of web servers. Cookies can only be retrieved by the web site that initially stored them. However, because many sites use the same advertisement provider, these providers can potentially track the behaviour of users across many Internet sites. Web bugs are usually described as invisible images embedded on Internet pages used for locating a connection between an end user and a specific web site. They are related to cookies in that advertisement networks often make contracts with web sites to place such bugs on their pages. Cookies and web bugs are purely passive forms of spyware, they contain no code of their own. Instead they rely on existing web browser functions.

--Adware: Adware is a more benign form of spybot (see below). Adware is a category of software that displays advertisements tuned to the user's current activity. Although most "genuine" adware programs only display commercial content, some hybrids are involved in reporting the aggregate or anonymised user behaviour to a third party, as described in A.

--Tracks: A "track" is a generic name for information recorded by an operating system or application about actions that the user has performed. Examples of tracks

include lists of recently visited web sites, web searches, web form input, lists of recently opened files, and programs maintained by operating systems. Although a track is typically not harmful on its own, tracks can be mined by malicious programs, and in the wrong context it can tell a great deal about a user.

--Browser hijackers: Hijackers attempt to change a user's Internet browser settings to modify their start page, search functionality, or other browser settings. Hijackers, which predominantly affect Windows operating systems, may use one of several mechanisms to achieve their goal: install a browser extension (called a "browser helper object"), modify Windows registry entries, or directly manipulate and/or replace browser preference files. Browser hijackers are also known to replace content on web sites with such promoted by the spyware authors [12].

--Spybots: Spybots are the prototypes of spyware. A spybot monitors a user's behaviour, collects logs of activity and transmits them to third parties. Examples of collected information include fields typed in web forms, lists of e-mail addresses to be harvested as spam targets, and lists of visited URLs. A spybot may be installed as a browser helper object, it may exist as a DLL on the host computer, or it may run as a separate program launched whenever the host operating system boots.

--System monitors: System monitors record various actions on computer systems. This ability makes them powerful administration tools for compiling system diagnostics. However, if misused system monitors become serious threats to user privacy. Keyloggers are a group of system monitors commonly involved in spyware activities. Keyloggers were originally designed to record all keystrokes of users in order to find passwords, credit card numbers, and other sensitive information.

--Malware: Malware is a set of instructions that run on a computer and make the system do something that an attacker wants it to do [12]. Malware refers to a variety of malicious software that includes viruses, worms, and Trojan horses. Spyware is one form of malware, but as will be discussed later on, spyware may also include instructions for downloading and installing, e.g., a virus.

Spyware succeeds because some of today's desktop operating systems make spyware simple to build and install [9]. Many instances of spyware have the ability to self-update, or automatically download new versions of themselves to the local host. Self-updating allows spyware authors to introduce new functions over time, but it may also be used to evade anti-spyware tools by avoiding specific signatures contained within the tools' signature databases using polymorphic techniques.

#### D. On the Implications of Spyware

Spyware may occupy resources of the computer that it infects or alter the functions of existing applications on the affected computer to the benefit of a third party. In that sense, spyware poses several risks. One commonly argued is that spyware compromises a user's privacy by transmitting information about that user's behaviour [4]. Even so, a spyware can also detract from the usability and stability of the computing environment of the user [9]. In addition, a spyware has the ability to introduce new security vulnerabilities to the infected host by downloading software updates [6]. Due to that spyware is widespread, such vulnerabilities put numerous amounts of computers at risk.

To summarize, the occurrence of spyware programs raise a real and growing threat to Internet usage in many aspects, and to other interested parties than only to end users. Four categories frequently argued on this topic are [3] [6] [15]:

--Consumption of system capacity: Spyware is often designed to be secretly loaded at system startup, and to partly run hidden in the background. Due to that it is not unusual for users to have many different instances of spyware running covertly simultaneously, the cumulative effect on the system's processing capacity can be dramatic.

--Consumption of bandwidth: The continual data traffic with gathering of new pop-ups and banner ads, and delivery of user data can have an imperative and costly effect on both private and corporate bandwidth.

--Security issues: Spyware covertly transmits user information back to the advertisement server, implying that since this is done in a covert manner, there is no way to be certain of exactly what data is being transmitted. Even though spyware, in its purest form, is a threat to privacy rather than security, some spyware programs have begun to act like Trojan horses. Most security experts would agree that the existence of spyware is incompatible with the concept of a secure system.

--Privacy issues: The fact that spyware operates with gathering and transmitting user information secretly in the background, and/or displays ads and commercial offers that the user did not by him-/herself chose to view, makes it highly privacy-invasive. Also, spyware enables for the spreading of e-mail addresses that may result in the receiving of unsolicited commercial e-mail (so called spam).

### III. EXPERIMENTS

We have developed a method for identifying and analysing spyware components and their behaviour on their host systems. This method has been used in several experiments (see, e.g., [17] [4]). In this section, we present the method

applied in two experiments. Thereafter, a compilation of the experiment results is given.

#### A. Method

The method is tightly coupled with our security laboratory. Mainly because our experiment method is based on state preservation of computer systems, which can be provided due to the computer architecture of the security laboratory<sup>2</sup>. By storing the initial baseline state of a system it is later possible to conclude what changes occurred with regards to this baseline. In practice, this means that we store the state of a base system before installing any application carrying spyware components. Afterwards, it is possible to conclude any changes between the two. By also capturing all network data sent and binding that traffic to the corresponding program, we can correlate network data to specific programs. It is also possible to include measurements of, e.g., CPU and network utilization during the experiments.

By using this method, all systems that are measured consist of identical hardware and network setups. Therefore, operating systems and their applications are bitwise identical for all subjects in the experiment sample. This suffices for the generation of reliable results. In order to be sure that the results are derived from a certain spyware, we included a "clean" reference computer in the experiment.

Since file-sharing tools are notoriously known for bundling spyware, we used such applications in both of the experiments. In this context, it should be pointed out that no file-sharing activity took place in terms of sharing or downloading any content on the P2P networks. Our examination was limited to software versions released between January and May 2004, and as such, our observations and results might not hold for other versions. Also, we used an Internet surfing program that automatically simulated a user visiting 100 preconfigured Internet sites. This was an attempt to trigger any spyware to either leak this information to third parties or to hijack the web sessions. In order to identify and locate the spyware programs, several anti-spyware tools were used<sup>3</sup>.

1) *Experiment 1*: In the first experiment, we investigated the occurrence and operations of five popular file-sharing tools<sup>4</sup>. More specifically, we examined spyware programs that were bundled with the file-sharing tools, the content and format of network data caused by spyware involved in Internet communication, and the extent of net-

---

<sup>2</sup> Throughout the experiments, we used 2.8Ghz Pentium 4 computers with 512MB primary memory.

<sup>3</sup> For a detailed list of the programs used, see [http://www.ipd.bth.se/aja/SpywEffects\\_Ref.pdf](http://www.ipd.bth.se/aja/SpywEffects_Ref.pdf)

<sup>4</sup> The file-sharing tools were the standard (free) versions of BearShare, iMesh, KaZaa, LimeWire, and Morpheus.

work traffic generated by such programs. Even though there may be numerous components bundled with the installation of file-sharing tools, it was primarily the programs engaged in Internet communication that were of interest to us. There are two reasons for this. First, without this delimitation, the experiment data would be too comprehensive to grasp. Second, for spyware programs to leak user data, they must be involved in communication over the Internet.

2) *Experiment 2*: In the second experiment, we set to explore the effects in terms of resource usage that spyware bring about on a local system. A major problem introduced when setting up such an investigation involve how to choose the experiment sample. What we wanted was a program instance that was free of spyware and another instance (of the same program) that included spyware. Unfortunately it is almost impossible to remove only the spyware components and still have a working version of the original program since such components are very tightly coupled with the original program. We came to an acceptable solution by selecting KaZaa and KaZaa Lite K++ as the two subjects in the experiment sample. KaZaa Lite K++ is an instance of KaZaa where all spyware components have been removed by an independent group that reverse-engineered the original KaZaa program, carefully excluding or disabling all bundled components not solely used for file-sharing purposes. By using these two KaZaa versions, it was possible to subtract the resource utilization of KaZaa Lite K++ from the utilization of the original KaZaa and thereby receive a measurement of resources used by the spyware programs.

### B. Results and Analysis

1) *Experiment 1*: A detailed list of the identified spyware programs is presented in TABLE I After having analysed the captured data, we concluded that all file-sharing tools contained spyware.

The two main carriers of spyware were iMesh and KaZaa (they included ten respectively eight programs each). The rates for the remaining file-sharing tools were five for Morpheus, four for LimeWire, and two for BearShare. In addition to these findings, we also discovered that all file-sharing tools contained spyware that were involved in Internet communication.

As can be seen in TABLE I, the retrieved spyware components were divided into “Adware” and “Spybot” based on their operations. We also included a category called “Download” because some of the components allowed for further software and/or updates to be downloaded and installed. In this category, examples such as hijackers and malware potentially could be included by the spyware distributors. In addition, all programs involved in any form of Internet communication were specified in a category called “Internet”. Finally, the category entitled “Host” specifies

TABLE I  
IDENTIFIED SPYWARE PROGRAMS

Name	Host	Adware	Spybot	Download	Internet
BroadcastPC	M	x	x	x	<b>X</b>
KeenValue	K	x	x	<b>X</b>	<b>X</b>
Morpheus	M	<b>X</b>	x	<b>X</b>	<b>X</b>
BargainBuddy	I, K	x	x	x	
TopMoxie	L, M	x	x	x	
Cydoor	I, K	x	x		<b>X</b>
Gator	I, K	<b>X</b>	x		<b>X</b>
SaveNow	B	<b>X</b>	<b>X</b>		<b>X</b>
BonziBuddy	L	x	x		
Web3000	I	x	x		
ShopAtHomeSelect	I		<b>X</b>	<b>X</b>	<b>X</b>
WebHancer	K		x	x	
BrilliantDigital	K	x		<b>X</b>	<b>X</b>
MoneyMaker	L, M	<b>X</b>		<b>X</b>	<b>X</b>
Claria	I, K	x			<b>X</b>
iMesh	I	x			<b>X</b>
WeatherCast	B	x			<b>X</b>
CasinoOnNet	L	x			
MyBar	I, K, M	x			
New.Net	I			<b>X</b>	<b>X</b>
FavoriteMan	I			x	

which file-sharing tool that carried what spyware<sup>5</sup>. In the cases where our empirical results could confirm the view shared by anti-spyware tools, the markers in the table are declared with bolded capitol letters.

When analysing the outgoing network communication from the spyware components, we discovered that most of this traffic was not sent in clear text. This means that the transactions between the spyware components and their corresponding servers were either obfuscated or encrypted. This is also an explanation to why we were able to only identify two genuine spybot components. Since most traffic was sent in non-clear text, we could not really measure the extent to which such traffic was broadcasted. However, we did manage to identify some network traffic sent to spyware servers on the Internet that included, e.g., web sites visited, zip codes, country, and information about programs and operating system versions on the local host. In example, one of the spybot programs (ShopAtHomeSelect) that was found bundled with the iMesh file-sharing tool transmitted Internet browsing history records to several invoked servers on the Internet. The Internet records that were transmitted could be correlated to the web sites included in our preconfigured web surfing program.

2) *Experiment 2*: A compilation of the results from the resource utilization measurement can be seen in TABLE II

<sup>5</sup> B is for BearShare, I for iMesh, K is for KaZaa, L for LimeWire, and M for Morpheus.

TABLE II  
RESOURCE UTILISATION MEASUREMENTS

	KaZaa Lite K++	KaZaa	Alteration
1. CPU usage (in%)	0.015	0.48	0.47
2. RAM usage (in%)	1.4	14	12.6
3. Addition of new files	50	780	730
4. Change in hard disk size (in MB)	8.6	46	37.4
5. Amount of network traffic (in MB)	0.6	29	28.4
6. No. of programs involved in Internet communication	1	11	10
7. No. of corresponding servers	60	349	289
8. No. of spyware programs installed	0	8	8

The measurements indicate that if KaZaa was installed, the rates for consumption of both system capacity (categories 1-4) and network bandwidth (categories 5-7) were significantly higher. This can be explained in that the spyware programs included in KaZaa affected both consumption of system capacity and network bandwidth. The high amount of network traffic was due to that the spyware components invoked numerous spyware servers on the Internet for the gathering of ads, pop-ups and banners. The accumulated local storage of collected commercial messages can have noticeable consequences on hard drive size, which also was the case for KaZaa.

In TABLE II, the measurements for the reference subject is subtracted from the file-sharing tools. The column entitled “Alteration” is represented by the difference between KaZaa and KaZaa Lite K++, that is; the spyware resource usage. Interestingly, three computer resources were significantly affected by the installation of spyware. In the first category of TABLE II, the occurrence of spyware had a measurable effect on CPU usage, KaZaa used 32 times more CPU capacity than KaZaa Lite K++. In category two, a significant difference was measured where the installation of KaZaa resulted in a ten times, or 65MB, increase of RAM usage. Finally, spyware programs had an imperative effect on the amount of network traffic generated by the file-sharing tools. More specifically, there was a 48 times augmentation of network traffic due to the spyware programs bundled with KaZaa. So, in contrast to KaZaa, installing a clean file-sharing tool (i.e., KaZaa Lite K++) caused marginal impact to system consumption and network bandwidth. However, due to the occurrence of spyware in file-sharing tools (see TABLE I), users with several such applications installed will, as a result of aggregate spyware activity, suffer from a continuous system and network degrading.

#### IV. DISCUSSION

Based on the findings in III, we can conclude that spyware programs exist, that they engage themselves in Internet communication, that they transmit user data, and that their existence have a negative impact on system and network capacity. Since we also can conclude that spyware programs are bundled with highly popular file-sharing tools<sup>6</sup>, we can make out that spyware in accumulation may have a negative impact on networks and systems. In fact, the occurrence of spyware might decrease the overall utility of belonging to a large network such as a P2P file-sharing network. Thus, it might be relevant to elaborate on the theory of negative network effects to see whether spyware programs can threaten a large network.

In a model (TABLE III), we specify in what ways spyware might decrease the utility of belonging to a large virtual network. The baseline is that spyware programs intrude systems and networks, but since they profit from user data they also intrude user privacy. In the model, the intrusions are classified as moderate, severe and disastrous.

On user effects, some P2P providers include spyware in order to maximise profitability. Spyware may collect user data (such as e-mail addresses for spam distribution, surf records for personalised advertisement exposure, etc.) for commercial purposes. At present, spyware programs as such are rather benign, but cause problems to user privacy. In general, privacy is the right of individuals to control the collection and use of information about themselves [16]. This means that users should be able to decide for themselves, when, how, and to what extent information about them is communicated to others. Even though the user data exemplified in this category may not be that sensitive, spyware programs ignore user rights, and must therefore be considered privacy-invasive.

A more troublesome concern is the distribution of personal data, such as personal details (name, gender, hobby, etc.), e-mail conversation, and chat records. This may be the result of spyware techniques intended not only for commercial purposes, but also motivated by malicious intentions. Although, such spyware programs may not be that wide-spread today, a technological platform for these kinds of operations is available. This mean that although the probability of being infected by such a spyware is very low, the consequences may be devastating.

A third view would be if the spyware program updates on the servers were replaced with, e.g., keyloggers. In effect, harmful software could be distributed to vast groups of P2P tool users with the purpose of transmitting personally critical information such as financial data, private

<sup>6</sup> As an example, there are more than 350 million downloaded instances of KaZaa [2].

TABLE III  
SPYWARE EFFECTS

	User	Computer	Network
Moderate	Commercially salable data	Consumption of capacity	Consumption of bandwidth
Severe	Personal data	Inferior code dissemination	Malware distribution
Disastrous	Critical data	Takeover	Breakdown

encryption keys, digital certificates or passwords. In reflection, financial threats from spyware programs may signify disastrous outcomes to vast groups of users.

In the experiments, we established a correlation between the presence of spyware programs and the consumption of computer capacity. Typically, spyware components utilised significant amounts of system resources, rendering in that computer resources were exploited in a larger extent than would otherwise be necessary. In accumulation, spyware operations degrade system capacity.

Also, it is problematic to comment on the quality of the code in the spyware programs, since the software requirements that have been used during the development process are left out in obscurity. The result can be that possibly inferior code is executed locally, which may have a negative influence on the entire system (i.e., not only to security). For example, as an effect of executing insufficient code, a system may lack performance or crash with, e.g., loss of important data as a result. In addition to this, software vulnerabilities may be exploited by malicious persons when breaking into a system, or when infecting it with destructive software (e.g., viruses).

As an utmost consequence, spyware programs deprive control over the system from the system owner. In effect, the installation of spyware programs may render in further installations of malware such as viruses and/or Trojans. Local services that are based on defect code and executed without the knowledge of the system owner are vulnerable to exploits, which may allow malicious actors to gain access over the computer. This is a disastrous situation because a takeover of system control affects both the local system and the surrounding network. A conquered system can be used as a platform for further distribution of malware.

At the network level, spyware operations in accumulation may contribute in network congestion. On one hand, the effects are unnecessary costs for network maintenance and expansion. On the other hand, network performance may be degraded. In either case, it is the network users that in the long run bear the costs.

The operations performed by spyware programs are approaching the operations of a virus with both a distribution and a payload part. Since users install, e.g., file-shar-

ing tools that contain spyware programs on a voluntary basis, the distribution part is taken care of by the users themselves. This makes spyware programs function like a slowly moving virus without the typical distribution mechanisms usually otherwise included. The general method for a virus is to infect as many nodes as possible on the network in the shortest amount of time, so it can cause as much damage as conceivable before it gets caught by the anti-virus companies. Spyware, on the other hand, may operate in such a relatively low speed that it is difficult to detect. Therefore, the consequences may be just as dire as with a regular virus. The payload of a spyware is usually not to destroy or delete data, but to gather and transmit user information, which could be veritably sensitive. An additional complicating factor is that anti-virus companies do not generally define spyware as virus, since it does not typically include the ability to autonomously replicate itself. Overall, the nature of spyware substantiates the notion that malicious actions launched on computers and networks get more and more available, diversified and “intelligent”, rendering in that security is extensively problematic to uphold.

In theory, even a large network such as a P2P network may suffer an ultimate breakdown if it is continuously flooded with data. Should spyware programs continue to increase in number and to be more and more technologically refined, a network breakdown might be a final step. Although, in reality, this is not a plausible outcome. Nonetheless, if security and privacy risks are increasing as a result of being part of a P2P network, the positive value of using an application and thus belonging to that network will likely decrease. If users should experience that a threshold value (where the negative effects overthrow the positive aspects of using the application) is overstepped, then they will restrain from utilising that network. However, the experiment results indicate that even though spyware programs operate over P2P file-sharing networks, their effects are thus far rather modest. At least when it comes to system and network consumption. On the other hand, spyware programs that invade user privacy must be looked upon seriously. Spyware technologies mainly involved in gathering user data have a true value potential for marketers and advertisers. If these privacy-invasive activities should continue to evolve, there might be a great risk that spyware will be engaged in more malicious activities than simply fetching anonymised user/work station data. If so, that can lead to negative network effects and thereby cause a network to become less useful.

Hidden spyware components permit distribution of privacy-invasive information and security breaches within the network. Due to the construction of spyware, it may collect information that concerns other parties than only the work station user, e.g., telephone numbers and e-mail addresses to business contacts and friends stored on the desktop. In

the context that spyware usually is designed with the purpose of conveying commercial information to as many users as possible, not only the local user may be exposed to negative feedback of spyware. As well, the business contacts and friends may be the subjects of network contamination, e.g., receiving vast amounts of spam or other unsolicited content.

With the continuous escalation of spyware programs and the refinement of spyware technologies, network availability may be degraded to such an extent that ordinary transactions are overthrown by obscure malware traffic. A disastrous situation may occur where a network is seriously overloaded by malware distributed by computerised systems that are controlled by malicious actors. In conclusion, spyware activity may persuade users to abandon networks.

## V. CONCLUSIONS

Based on the discussions of spyware and on the findings from the two experiments, we can conclude that spyware have a negative effect on computer security and user privacy. We have also found that a subsequent development of spyware technologies in combination with a continuous increase in spyware distribution will affect system and network capacity. A disastrous situation may occur if a network is seriously overloaded by different types of spyware distributed by computerised systems that are controlled by malicious actors. Then, the risk is a network breakdown. However, a more plausible outcome may be that users will abandon the network before that happens. In effect, spyware has the potential to overthrow the positive aspects of belonging to a large network, and network owners should therefore be very careful about permitting such programs in applications and on networks.

## REFERENCES

- [1] S.-Y. Choi, D.O. Stahl, and A.B. Winston, "*The Economics of Electronic Commerce*", Macmillan Technical Publishing, Indianapolis IN, 1997.
- [2] C|Net Download.com., <http://www.download.com/>, 2004-06-29.
- [3] "Emerging Internet Threats Survey 2003", commissioned by Websense International Ltd., February, 2003. [http://www.websense.com/company/news/research/Emerging\\_Threats\\_2003\\_EMEA-de.pdf](http://www.websense.com/company/news/research/Emerging_Threats_2003_EMEA-de.pdf), 2004-06-29.
- [4] A. Jacobsson, M. Boldt, and B. Carlsson, "Privacy-Invasive Software in File-Sharing Tools", in *Proceedings of the 18th IFIP World Computer Congress*, Toulouse France, 2004.
- [5] M.L. Katz, and C. Shapiro, "Systems Competition and Network Effects", in *Journal of Economic Perspectives* 8:93-115, 1994.
- [6] M. McCardle, "How Spyware Fits into Defence in Depth", SANS Reading Room, SANS Institute, 2003. <http://www.sans.org/rr/papers/index.php?id=905>, 2004-06-29.
- [7] A. Oram, "*Peer-To-Peer: Harnessing the Benefits of a Disruptive Technology*", United States of America: O'Reilly & Associates Inc., 2001.
- [8] PestPatrol, [http://research.pestpatrol.com/Lists/NewPests\(PestCounts\).asp](http://research.pestpatrol.com/Lists/NewPests(PestCounts).asp), 2004-06-29.
- [9] S. Sariou, S.D. Gribble, and H.M. Levy, "Measurement and Analysis of Spyware in a University Environment", in *Proceedings of the ACM/USENIX Symposium on Networked Systems Design and Implementation (NSDI)*, San Francisco CA, 2004.
- [10] D. Schoder, and K. Fischbach, "Peer-to-Peer (P2P) Computing", in *Proceedings of the 36th IEEE Hawaii International Conference on System Sciences (HICSS'03)*, IEEE Computer Society Press, Los Alamitos CA, 2003.
- [11] C. Shapiro, and H. Varian, "*Information Rules*", HBS Press, Boston MA, 1999.
- [12] E. Skoudis, "*Malware - Fighting Malicious Code*", Prentice Hall PTR, Upper Saddle River NJ, 2004.
- [13] "Spyaudit", commissioned by Earthlink Inc., <http://www.earthlink.net/spyaudit/press/>, 2004-06-29.
- [14] J. Sterne, and A. Priore, "*E-Mail Marketing - Using E-Mail to Reach Your Target Audience and Build Customer Relationships*", John Wiley & Sons Inc., New York NY, 2000.
- [15] K. Townsend, "Spyware, Adware, and Peer-to-Peer Networks: The Hidden Threat to Corporate Security" (technical white paper), PestPatrol, 2003., <http://www.pestpatrol.com/Whitepapers/PDFs/SpywareAdwareP2P.pdf>, 2004-06-29.
- [16] A. Westin, "*Privacy and Freedom*", Atheneum, New York NY, 1968.
- [17] J. Wieslander, M. Boldt, and B. Carlsson, "Investigating Spyware on the Internet", in *Proceedings of the Seventh Nordic Workshop on Secure IT Systems*, Gjøvik Norway, 2003.