

Software Licensing Basics

Regardless of the type of application software, its use is governed by an agreed-upon licensing agreement. Violations of the license agreements generally can result in license termination, penalty fees and/or criminal prosecution. This is why license agreements are usually the beginning step in any software installation. When you click the agree button to an installation routine you are legally agreeing to the licensing agreement.

Generally software is licensed based on usage. Licenses govern who can use the software, when the software can be used, and where it can be used. Typical terms of licensing are described below:

Licensing Arrangement	General Definition
Site licenses	Flat fee for use of software on computers at a specific location or computers operated in a given organization.
Concurrent-use licenses	Allows a specific number of software instances to be run within an organization. For instance, an organization with 150 concurrent licenses would mean that if 152 people attempted to launch the software only 150 would gain access and 2 would not.
Multi-user license or volume licensing	A specific number of licenses are purchased and the purchased number of licenses can be installed on a matching number of computer devices. Volume licensing may provide price discounts when multiple-users licenses fall within differing levels. An example would be \$250/user fee at 0-500 volume and \$200/user when buying 501-1000 quantities. Multi-user licensing may have a single volume licensing key.
Single-user license	A unique license key is provided for each purchased license. Typically a single-user license is to be installed on one device although some licensing may specify a limited number of devices it can be installed upon.
Licensing with maintenance agreement	This type of arrangement may be associated with a site, concurrent, or multi-user license. In addition to the licensing fees, a separate maintenance fee may be available. The maintenance and/or service agreement may provide free version upgrades, preferred service support, or other servicing arrangements.
Academic licensing	Typically, this is the full version of software, but with limitations on the use of the software. Software use is limited to student applications and using the software to support administrative functions or using it for-profit activities.
Client Access Licenses (CALs)	Server-based technologies may require additional licensing fees for clients that access the server application. Usually this is charged based on a per user basis. Licensing of this sort may require a licensing application or server for the sole purpose of managing the licensing.

These are general definitions to consider when analyzing licensing agreements. Software publishers have their own specific licensing agreements. As an IT Professional, you need to analyze licensing agreements to ensure compliance.