

Principles of Fair Software Licensing

- 1. Licensing Terms Should Be Clear and Intelligible:** Licensing terms should always be clearly written, allow customers to readily determine their licensing costs, and permit customers to determine their obligations easily. Software vendors should not charge or otherwise penalize customers for failing to comply with any ambiguous, misleading or confusing license terms. Instead, such licensing terms should be construed against the licensor and not used to extract additional licensing fees from customers.
- 2. Freedom to Bring Previously Purchased Software to the Cloud:** Customers that seek to migrate their software from on-premises to the cloud should not be required to purchase separate, duplicative licenses for the same software. They should be free from licensing restrictions and increased costs that discriminate against their ability to run their licensed software in the cloud, and on the cloud providers of their choosing.
- 3. Customers Should Be Free to Run their On-Premises Software on the Cloud of their Choice:** Licenses that permit customers to run software on their own hardware (typically referred to as “on-premises” software) should also permit them to use that software on the cloud of the customer’s choice without additional restrictions.
- 4. Reducing Costs through Efficient Use of Hardware:** Software vendors should not restrict their customers from running workloads on secure cloud resources. Restrictive licensing terms that require cloud customers to use a vendor’s software only on hardware dedicated solely to that customer deprive customers of efficiency and drive unnecessary costs that discourage cloud adoption.
- 5. Freedom from Retaliation for Cloud Choices:** Software vendors should not penalize or retaliate against customers who choose to use those vendors’ software on other providers’ cloud offerings, such as by undertaking increased or intrusive software audits, or imposing higher software licensing fees.
- 6. Avoiding Customer Lock-In Through Interoperable Directory Software:** Directory software that enables enterprises to create, identify, manage, and authenticate users, and permits authorized users to access a wide variety of applications, systems and other resources is fundamental to how those enterprises run an IT environment. Software vendors who provide directory software have a heightened responsibility to ensure those directories support open standards for syncing and

authenticating user identities in a non-discriminatory way with other identity services and do not impede customers from switching from one provider to another by locking them in to their directory solution.

7. **Equal Treatment for Software Licensing Fees in the Cloud:** Software vendors should not charge different prices for the same software based solely on who owns the hardware on which it is installed. Prices for software should not discriminate between software installed in a customer's own data center, a data center managed by a third party, on computers leased from a third party, or in the cloud unless costs differ depending on where it is installed.
8. **Permitted Uses of Software Should Be Reliable and Predictable:** Software vendors should not make material changes to license terms that restrict customers from previously permitted uses, especially when customers may have become reliant on those uses, unless required by law or due to security concerns.
9. **Licenses Should Cover Reasonably Expected Software Uses:** Software vendors should not mislead customers by selling licenses that customers reasonably expect should cover their intended software use but in fact require purchasing additional licenses, especially if those additional uses are ones recommended by the software vendor.

#