



Microsoft Software Management Service FAQ

1. What is the Microsoft Software Management Service?

We know that managing software licenses and understanding licensing requirements can be both time consuming and complex for many businesses. To help make the process more manageable for our customers we are implementing this Software Management Service.

As a first step, the Software Management Service involves providing a consolidated Microsoft Volume License Summary Report (attached to this letter) to our customers. We know from customer feedback that a consolidated view of their Microsoft license purchases is of benefit when it comes to managing software licenses. Following on from providing this Summary Report our Software Management Specialist will make contact with you by telephone and/or email and forward the Software Installation Questionnaire for completion. Using the information from the Questionnaire we can then provide a Microsoft Software License Ownership Position. This will detail any potential over-licensing or under-licensing based on the information supplied to us.

2. What information do I need to gather?

The Questionnaire will require that you conduct a review of your software installations of key Microsoft products and potentially, review licenses purchased outside the volume licensing purchase programs (e.g. purchases made via FPP (Full Packaged Product), or retail boxed product and OEM (Original Equipment Manufacturer) software pre-installed when purchased with a PC.

3. Why is Microsoft conducting this Software Management Service?

To provide customers with useful data relating to their purchases of Microsoft software and to help ensure that all Microsoft software in use has the requisite license(s) attached to it. Since we started offering this Service we have found that it helps customers better manage their software assets and it also helps Microsoft improve its licensing programs and processes by better understanding the type of information we need to provide.

4. What right does Microsoft have to request this information from me?

Microsoft Volume License Agreements carry certain rights and obligations on the part of both Microsoft and our customers. Under those Agreements there are certain audit rights for Microsoft. Following is an example of a clause from a Microsoft Open Volume License Agreement:

Verifying compliance. You agree to keep all usual and proper records relating to the products you run. We may request that you conduct an internal audit of all Microsoft products in use throughout your organization, comparing the number of products in use to the number of effective licenses issued in your name, at any time up to one year after the authorization number expires. Following any audit, you agree to deliver to us a written statement signed by your authorized representative, certifying that either (i) you have sufficient licenses to permit all usage disclosed by the audit or (ii) you have ordered sufficient licenses to permit all usage disclosed by the audit. By requesting an audit, we do not waive our rights to enforce this agreement or to protect our intellectual property by any other means permitted by law.

5. What is the timeframe for providing the installation information to the Software Management Specialist?

The Software Management Specialist will be leaving the Software Installation Questionnaire with you for 14 working days to complete, however if your business needs additional time we will work with you to set an agreed revised date.

6. What do I get as a result of undertaking this process?

The Software Management Specialist will provide back to you a Microsoft Software License Ownership Position. This information is based on the data you provided to us via the installation questionnaire and comparing this information with your Microsoft Volume License Summary Report. This Summary will give you a break down of the Microsoft products installed, product versions, how the products were purchased while also showing you if you are correctly licensed and if there are cases of over or under-licensing on key Microsoft products.

Continued Overleaf

7. The Microsoft Volume License Summary Report provided doesn't appear to contain all of the licenses we have purchased?

A discrepancy between your records and the Volume License Summary could occur for a number of reasons. These include

- Orders made on your behalf may have been processed using variations of your company name i.e. ABC Company Pty Ltd and A.B.C Pty;
- Your company may have changed its name and the previous records have not been merged with the latest company records;
- Your business may have purchased OEM (Original Equipment Manufacturer) licenses where software is pre-installed on the new PC or FPP (Full Package Product) or retail boxed product.

If there are any issues with the Microsoft Volume License Summary Report please discuss these with your Software Management Specialist. The Specialist will work with you to verify these purchases and include them in your overall Summary Report.

8. Our business does not have an automated inventory tool. What can I do to understand the products we have installed?

Microsoft makes available a "free-downloadable" product called MSIA (Microsoft Software Inventory Analyser), which will make an inventory of key Microsoft products, installed on your workstations.

Download from: <http://www.microsoft.com/resources/sam/msia.msp>. You may also want to contact your preferred Reseller to see what tools they may have or visit www.bsaa.com.au for third party audit tools.

9. What happens if I don't participate?

We hope that most of our customers will work proactively with us to ensure a compliant licensing position. However, given the great emphasis Microsoft places on protecting its intellectual property, for those customers that don't wish to engage in this Service, a more formal communication may be made with respect to our licensing rights and your obligations under your Microsoft volume license agreements.

10. If my business is found to have unlicensed software what will happen?

We can assist with this and also provide some advice around software asset management to ensure you minimise the chances of any future non-compliance occurring. If you do identify some unlicensed use of Microsoft products, we ask you to address the matter with the Software Management Specialist and make contact with your Reseller to rectify the situation immediately.

11. What is the Microsoft Windows Genuine Advantage (WGA) program?

Windows Genuine Advantage is a program designed to highlight the value of genuine Microsoft® Windows® software over counterfeit copies. The benefits of using genuine Microsoft Windows include:

- Your system will deliver the features, options and performance you need to maximise your productivity and enjoyment.
- Your software is authentic, properly licensed and supported by Microsoft or a trusted Reseller.
- You will get access to updates, enhancements and innovations that help you protect and do more with your PC

12. What's the benefit of WGA for small businesses?

WGA enables small businesses to enjoy the capabilities they expect, the confidence that their software is authentic and ongoing system improvements which help them do more with their PCs - something critical to meeting their customers' needs. Additionally, small businesses that validate their systems as genuine have access to additional downloads, tools and content to help them be more productive.

13. What is WGA Notifications?

WGA Notifications is part of the WGA program. It is a program designed to assist customers in identifying if their Microsoft software is either genuine or non genuine. As part of the program some customers will be invited to install WGA Notifications through Automatic Updates (AU) to confirm that they are running genuine Microsoft Windows operating system. Customers who are running genuine Windows software and opt-in to the program will not see any messages.

Customers who are using a non-genuine version of Windows software will receive a message during logon that their copy of Windows software appears to be non-genuine and will be directed to the WGA website to learn more.

14. What if my copy of Microsoft Windows or Microsoft® Office fails the validation process or I believe I have received pirated software?

In either case, Microsoft recommends the following actions:

1. Return to your Reseller and ask for genuine Microsoft software, using the report provided during the validation session for support. The report explains why your system was unable to validate and provides instructions for further follow-up.
2. Apply for a complimentary offer: Microsoft will make a complimentary copy of Microsoft® Windows XP® available to customers who have been sold counterfeit Windows software. Customers will be required to submit a proof of purchase, the counterfeit CD, and a counterfeit report with details of their purchase. Only high-quality counterfeit Windows software will qualify for the complimentary offer.
3. Purchase an Electronic License Key: Microsoft will offer an alternative for customers who find out via the WGA validation process that they are not running genuine Windows software, but do not qualify for, or choose not to take advantage of, the complimentary offer. These customers will be able to license a Windows Genuine Advantage Kit for Microsoft Windows XP online for a price of \$158 (inclusive of GST) for Windows XP Home edition or \$238 (inclusive of GST) for Windows XP Professional. The Windows Genuine Advantage Kit for Windows XP software will include a new 25-character Product Key and a Windows Product Key Update tool that will allow customers to convert their counterfeit copy to genuine Microsoft Windows XP electronically.
4. Retail boxed product or FPP (Full Packaged Product): Customers also have the opportunity to purchase Full Packaged Product of Microsoft Windows and Microsoft Office which are available in leading retail stores.

15. Penalties associated with making and using infringing software

An important element of the Copyright Act is that it is a criminal offence if a person makes an infringing copy of software with the intention of obtaining a commercial advantage or profit and if the person knows or "ought reasonably to know" that the copy of software is infringing copyright.

Company directors and managers need to take careful note of this, if caught using illegal software criminal action can be brought against a company, Directors and Managers and in some circumstances even employees.

Criminal Penalties

Under the Copyright Act, making an infringing copy of software with the intention of obtaining a commercial advantage or profit and if the person knows or ought reasonably to know that the copy is infringing copyright and is now a criminal offence. Offenders may be liable for:

- Fines up to \$71,500 and /or up to five years imprisonment for individuals;
- Fines up to \$357,500 and/or up to five years imprisonment for companies.

Civil Penalties

Making or using illegal copies of software is a civil offence under the Copyright Act and offenders are liable for:

- Damages of an unlimited amount (determined by the Court);
- Court costs in many circumstances, which can also be substantial

There have also been changes to the Copyright Act which you should also be aware of. This is covered in the next point.

16. What are the new changes to the Copyright Act?

- It is now a criminal offence, if you make an infringing copy of software with the intention of obtaining a commercial advantage or profit and if the person knows or ought reasonably to know that the copy of software is infringing
- It is still a criminal offence if you sell or distribute illegal software.
- Use of illegal software in a business or organisation can in many cases constitute a criminal offence as commercial advantage is inherent in using any software in a business or professional context

More information on this change can be found at www.bsaa.com.au

17. Why has my business been selected?

- This Software Management Service engages small business customers who have purchased under a Microsoft Volume License Agreement, for example, Open License.
- Our experience shows we find customers with mixed licensing environments i.e. correctly licensed, over-licensed and under-licensed. In offering this Service we would like to bring clarity to the acquisition and tracking processes utilised to manage the Microsoft software in your business.

18. Where do I go to get access to more information about software licensing rules and agreement information?

You can contact your Reseller for licensing assistance or alternatively phone Microsoft Licensing Hotline on 13 20 58

More information is available online: www.microsoft.com.au/smallbusiness/sam