

Solving the Mystery of Windows Desktop Licensing: Unlicensed PCs and Mislicensing FAQs.

The purpose of this FAQ document is to provide you with general information on proper Windows Desktop licensing and to clarify Microsoft® Windows® Desktop operating system licensing policies.

If you have further questions, please contact 1-866-606-3749 (8 am-5 pm CST).

Q. What does “mislicensing” mean?

A. Mislicensing occurs when a customer uses their Volume License Agreement to install the initial Windows License on a new PC. Volume License Agreements cover the Windows UPGRADE only, therefore these systems are not properly licensed—they are mislicensed. You must first acquire a qualifying underlying operating system license, such as a full version of the Windows Desktop, either preinstalled from your hardware vendor(OEM/system builder) or through Full Packaged Product.

Q. Why is proper Windows licensing so confusing?

A. The Windows Desktop operating system is the only product on the Volume License SKU list that is UPGRADE only. The full versions of all other products, including Windows Server™ products, are available through Volume License. This is not a new policy, but we have recently become aware that it has caused confusion with many customers. Microsoft's Windows Desktop OS policies have been in effect for over 10 years and the policies are written in the Volume License Agreements. However, we have found that nearly 44% of Volume License customers believe that Volume License rights include the full OS and 40% of Volume License customers report they have acquired naked or unlicensed PCs, putting themselves at risk of non-compliance with their Volume License Agreement.

Q. Why does Microsoft license the Windows Desktop operating system differently than all other products?

A. When Windows Desktop operating system software is licensed through the OEM or System Builder Channel, the OEM or system builder is responsible for preinstalling and supporting the Windows software on that computer, among many other requirements. It is their responsibility to ensure that the operating system works with their hardware. Additionally, the end user license agreement or EULA is between the OEM/system builder and the customer, not Microsoft and the customer. As such, the licensing is different.

Q. Is this a change in licensing policy? How long have Microsoft's Windows Desktop licensing policies been in effect?

A. No, this is not new and is not a change in policy. The Windows Desktop licensing policies have been in effect for over 10 years.

Q. Where does it say that I cannot use my VL Windows Upgrade to cover an unlicensed or naked system?

A. Select and Open Volume License Agreements reference the Volume Licensing Product List found at <http://www.microsoft.com/licensing>. The Product List includes information on qualifying system licenses in several places, including the Windows XP Professional Upgrade section (see the Volume License Product List Table of Contents to locate this section, as the Product List is updated regularly) and in the Volume License Appendix under License Type Definitions and Qualifications (again, check the Table of Contents).

The EA Enrollment states the policy in section 8. Information regarding qualifying system licenses is as follows:

All operating system licenses provided under this program are upgrade licenses. No full operating system licenses are available under this program. Therefore, if you select the Enterprise Desktop Professional Platform or the Windows Desktop Operating System Upgrade, all qualified desktops on which you will run the Windows Desktop Operating System Upgrade must be licensed to run one of the qualifying operating systems identified in the Product List at <http://www.microsoft.com/licensing>. Note that the list of operating systems that qualify for the Windows Desktop System Upgrade varies with the circumstances of your order. That list is more extensive at the time of your initial order than it is for some subsequent true ups and system refreshes during the term of your enrollment.

You can also find information on our Windows Desktop OS policy in the Microsoft Operating System License Requirements Licensing Brief located on the www.microsoft.com/licensing site or specifically at http://download.microsoft.com/download/1/4/4/14441b37-78ff-4b60-b726-6d91f81d3fa7/os_reqs.doc

Q. What are the main things I should know about properly licensing the Windows Desktop operating system?

- A.** The three main Windows Desktop OS licensing policies to remember are:
1. There are two legal ways to acquire a full Windows Desktop license: through your hardware vendor (OEM/System Builder) or Full Packaged Product.
 2. Volume licensing covers Windows Desktop operating system UPGRADES only.
 3. OEM operating system licenses live and die with each PC—they are not transferable.

(Continued)

Q. I am an EA customer. Do I need to acquire an underlying operating system with new PCs?

A. Yes. Enterprise Agreements are not different than other Volume License agreements—EAs also cover Windows Upgrades only. EA customers must acquire their initial full Windows License via the OEM or retail channels and can not use their EA to cover the Windows License.

Q. I'm not properly licensed. Now what do I do?

A. Being properly licensed is the only way your organization can receive all the support and benefits you're entitled to through your Volume License Agreement. If you find that you have been acquiring Windows incorrectly, the first thing to do is adjust your acquisition policies moving forward. The best way to acquire Windows Desktop is preinstalled on a new PC. The easiest way to remember that Volume License covers upgrades only is: "New PC = New Windows." When you have done that, you can then have a look at existing PCs to ensure that they have the full version Windows rights for each computer.

If you feel you are not in compliance with Windows licensing, please contact your Microsoft representative or reseller to discuss your options.

Thank you for recognizing the importance of being properly licensed!