

Independent Software Vendor (ISV) Royalty Licensing Program Overview

Overview

The Independent Software Vendor (ISV) Royalty Licensing Program offers independent software vendors (ISVs) a convenient way to license Microsoft Products ("Products") and integrate them into a Unified Solution. ISVs then replicate the business solution and distribute a fully licensed solution to their end users ("users"). The ISV Royalty Program isn't a reseller program; it's a program that grants ISVs the rights to license Products as part of a Unified Solution.

An ISV can integrate eligible Products into their Unified Solution by including one or more Products along with the ISV's software for their Unified Solution and by distributing through either of the following:

- ▶ Copying onto physical media, which is labeled and packaged as the ISV's Unified Solution

OR

- ▶ Pre-installing, by the ISV, on a computer system for distribution as part of the ISV's Unified Solution.

The Microsoft ISV Royalty Licensing Program is a worldwide software licensing program for solutions partners that qualify as an ISV.

Program benefits

The ISV Royalty Licensing Program offers ISVs the convenience of distributing to users a complete software solution from one source. For a full program overview, including a complete list of program benefits, please see the [ISV Royalty Licensing Program Guide](#).

Here are some of the many benefits of participating in the ISV Royalty Licensing Program:

- ▶ **Ability to deliver a total solution.** Offer a single resource for your users and avoid individual software deployment delays. Users benefit from having just one source to obtain a complete solution, including the Products and licenses.
- ▶ **Potential cost reductions.** ISV Royalty Licensing Program provides the opportunity to cut costs for goods sold by allowing you to preconfigure your installation with Products. You may be able to reduce installation, configuration, update, and support costs.
- ▶ **Potential revenue increases.** You can redistribute Microsoft licenses and Embedded Maintenance upgrade coverage with your solutions to provide an additional revenue stream for potential profit.
- ▶ **Extend Product life cycle.** After Microsoft releases a new version of a Product, you can sell the previous version of most products as integrated in your value-added business solution for up to 48 additional months.
- ▶ **Wide selection of Products.** You have access to a wide range of Microsoft server applications and some desktop PC applications. You can also access the most current version of Products that includes the most updated features.
- ▶ **Downgrade rights.** If you have acquired a later version of the Product, you can offer your customers an earlier version of the Product, as long as the earlier version is still supported by Microsoft and other requirements are met.

What is a Unified Solution?

To participate in the ISV Royalty Licensing Program, you must develop a software Unified Solution that adds primary and significant functionality to the Product(s) so that your solution isn't primarily a substitute for the Product. A Unified Solution is the software product that you license to your users that includes one or more Products and may include third-party software.

For example, an ISV develops an application that depends on a database. If you're an ISV in the Microsoft ISV Royalty Licensing Program and your solution adds material functionality to the Products involved, you can include Microsoft SQL Server database software as part of your Unified Solution. Then you can distribute the fully licensed solution to your customers.

Microsoft Volume Licensing

Enrolling in the ISV Royalty Licensing Program

To enroll and participate in the ISV Royalty Licensing Program, follow these key procedures:

1. Complete the Microsoft ISV Royalty License and Distribution Agreement and Microsoft Business and Services Agreement (MBSA), if you don't already have one in place. For more information, contact your ISV Royalty distributor.
2. Submit these documents with the signed signature form to your distributor.
3. After Microsoft has received your signed Microsoft ISV Royalty License and Distribution Agreement, you'll receive a welcome letter that contains an agreement number.

ISV run-time license

Licenses for Microsoft SQL Server and Microsoft BizTalk Server through the ISV Royalty Licensing Program are offered with additional restricted use rights. With these restricted use rights, your users:

- ▶ Can use these applications only with the Unified Solution with which they were acquired.
- ▶ Cannot use the Products to run any other application or to develop new applications or in any other context independent of the Unified Solution with which it was acquired.

Eligibility and program requirements

To participate in the ISV Royalty Licensing Program, you must develop a Unified Solution by integrating select Microsoft Products into your applications and distributing them to your users.

You must also be a member of the Microsoft Partner Network (MPN) at any competency level to enroll in the ISV Royalty program. For more information on MPN, visit the MPN website at <https://mspartner.microsoft.com/>.

The following are key requirements for participating in the ISV Royalty Licensing Program. For the full list of program requirements, please see the ISV Royalty Licensing Program Guide.

- ▶ **Develop a Unified Solution.** Develop and distribute the Unified Solution in a tangible media format (electronic software distribution is available for some Products in the ISV Royalty program as specified in the ISV Royalty Product List).
- ▶ **Join the Microsoft Partner Network.** Enroll and maintain status as a member of the Microsoft Partner Network at any level (Community, Subscriber, Competency, or Advanced Competency).
- ▶ **Comply with the Microsoft license terms.** Incorporate any applicable Microsoft license terms into the End User License Agreement for the Unified Solution.

- ▶ **Worldwide distribution.** You can distribute your Unified Solution to users in any part of the world where distribution is allowed.

Terms and licensing model

The ISV Royalty Licensing Program allows you to license Products as part of your Unified Solution during a three-year agreement term. You become the legal licensor of the entire Unified Solution, including the Products that are part of your Unified Solution.

You can offer your users the option to include Embedded Maintenance with the Products included in the Unified Solution. Embedded Maintenance offers your users the option to stay current on Products by upgrading to future Product versions for a fee.

License model

Each Product offered through the ISV Royalty Licensing Program has an associated set of Microsoft license terms, also referred to as the use rights. Two license types are offered:

ISV license

This default license type allows you to integrate Products and be licensed as part of your Unified Solution. This license also allows your users to use the underlying Product with applications other than the Unified Solution as long as they're still licensed for your application.

Microsoft Volume Licensing

- ▶ **Designate an authorized distributor.** Work with an authorized Microsoft ISV Royalty Licensing Program distributor to complete the ISV Royalty License and Distribution Agreement and the MBSA (or to link your existing MBSA to the ISV Royalty agreement).
- ▶ **Provide technical support.** You're responsible for providing technical product support for the Products included in the Unified Solution.
- ▶ **Provide monthly reporting on software licenses.** Submit either a monthly royalty report or a zero royalty report for all licenses that you and your affiliates distributed to your end users the previous month.

Additional resources

ISV Royalty Licensing Program

Information on the ISV Royalty Licensing Program, including how to find authorized distributors

<https://www.microsoft.com/en-us/Licensing/licensing-programs/isv-program.aspx>

ISV Royalty Licensing Program Guide

Agreement overview for those new to the ISV Royalty Licensing and Distribution Program

http://download.microsoft.com/download/7/A/A/7AA89A8B-BF4D-446B-A50C-C9B00024DF33/ISV_Royalty_Program_Guide.pdf

ISV Royalty Licensing Frequently Asked Questions

Common questions about program benefits and requirements

http://download.microsoft.com/download/7/A/A/7AA89A8B-BF4D-446B-A50C-C9B00024DF33/ISV_Royalty_Program_FAQ.pdf

Microsoft Partner Network

Details about the requirements, benefits, and resources in the Microsoft Partner Program

<https://mspartner.microsoft.com/>

Microsoft Pinpoint

Find an ISV Royalty distributor

<https://www.microsoft.com/en-us/Licensing/licensing-programs/isvr-distributors.aspx>

Partner Support Community – Online Forum

For ISVs looking for continuous programmatic support on the ISV Royalty program (login required; choose “ISV Royalty Program” as Topic)

<http://partnersupport.microsoft.com/en-us/mpnpartnmem/forum/mpnpartpq?tab=Threads>

Technical Presales and Advisory Services

For ISVs with Gold Competency Level looking for programmatic support on the ISV Royalty program

<https://partner.microsoft.com/en-US/>

Microsoft Volume Licensing

For information on what software and services licensing can do for your organization

<https://www.microsoft.com/en-us/licensing>

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