

QUESTION:	ANSWER:
What is a “unified solution”?	A unified solution is the combination of your software application (and/or another third party software application) that you license to users, with one or more Microsoft software applications which adds significant functionality to the Microsoft software application(s).
Can I lease or rent the integrated solution (including the Microsoft software) to customers?	No, the agreement does not allow you to lease or rent Microsoft software without a separate agreement with us. Similarly, the End User License Agreement (EULA) does not allow customers to lease or rent Microsoft software.
Are ISVs in the Royalty Licensing Program allowed to distribute Microsoft software as stand-alone products?	The ISV Royalty Licensing Program only allows an ISV to distribute Microsoft software licenses as part of a unified solution.
What is required before an ISV may enroll in the ISV Royalty Licensing Program?	You must meet one of the following criteria: <ul style="list-style-type: none"><li>• Enroll in the Microsoft Partner Program at the Certified Partner (or higher) level</li><li>OR</li><li>• Purchase 5 support incidents from Microsoft or from any Gold Authorized Support vendor</li></ul>
Do I have to make any revenue commitments?	Yes. ISVs are required to commit to a minimum of US\$10,000 (or published non-U.S. currency amount if applicable) in royalties over the 2 year term of the ISV Royalty Agreement.
Must I report data on my customer — for example, do I need to report my customer’s name, address, etc.?	Under the standard Agreement, reporting customer data such as name, address, etc. is not required. However, you are required to report quantity of licensed products distributed, royalties accrued, and country in which the end user is located.
What software applications are available in the ISV Royalty Licensing Program?	Most Microsoft Server applications and some desktop applications are available. The Microsoft Windows operating system and Microsoft Office are not offered in this program.
What does Runtime licensing mean?	Some of the Microsoft software applications licensed through the Microsoft ISV Royalty Licensing Program are licensed in a Runtime format only. This means that the customer can use the Microsoft software application only as part of the unified solution with which it was obtained.
What is a Microsoft SQL Server Runtime license?	The Microsoft SQL Server Runtime license allows a customer to use SQL Server only with the ISV’s application. The customer is restricted from using this SQL Server software to run other applications or to develop new applications, databases, or tables.
How is the customers’ use restricted with a Microsoft SQL Server Runtime license?	The license rights reflected in the Microsoft SQL Server Runtime EULA restrict customers from using the SQL Server software to: <ul style="list-style-type: none"><li>• Run applications other than the ISV’s application</li><li>• Develop new applications</li><li>• Create new databases or tables (unless the ISV’s application requires a new database or table be created)</li></ul>
Is the code for Microsoft SQL Server Runtime different than the code for Microsoft SQL Server Royalty Standard?	No, the code is the same. The difference is reflected in the Microsoft SQL Server End User License Agreement (EULA) which restricts the customer’s use of the SQL Server software in the Runtime licensing model.
Will Microsoft provide technical support to my customers on Microsoft software products?	No. Under the terms of the Agreement, Microsoft is not responsible for technical product support to the customer. You are responsible for technical product support on the Microsoft software products included in the unified solution.
What is Embedded Maintenance?	ISVs can provide end customers with the right to upgrade to future product versions by acquiring Embedded Maintenance (formerly Software Assurance) for a fee. The right to upgrade is limited to new product versions released during the Embedded Maintenance coverage period. Licenses must be enrolled in Embedded Maintenance when the license is originally acquired. Coverage can be renewed annually during the term of the agreement.
How do customers with licenses enrolled in Embedded Maintenance get the upgrade software?	The ISV supplies the Microsoft upgrade software to the customer as part of an upgrade to the unified solution.



Online Resources

ISV Royalty Licensing Web Site:  
**[www.microsoft.com/licensing/programs/isv](http://www.microsoft.com/licensing/programs/isv)**  
for information on the Royalty Licensing Program

Microsoft Partner Program:  
**[www.microsoft.com/partner](http://www.microsoft.com/partner)**  
for information about the requirements, benefits, and resources in the Microsoft Partner Program

Professional Support Options and Phone Numbers:  
**<http://support.microsoft.com/default.aspx?scid=fh;EN-US;OfferProPhone>**  
for ISVs choosing to purchase the 5 support incidents rather than becoming a Certified (or Gold Certified) Partner

Microsoft Volume Licensing Program:  
**[www.microsoft.com/licensing](http://www.microsoft.com/licensing)**  
for information on what software licensing can do for your organization today



Independent Software Vendors  
Royalty Licensing Program



ABOUT THE ISV ROYALTY LICENSING PROGRAM

The ISV Royalty Licensing Program offers Independent Software Vendors (ISVs) a convenient way to integrate Microsoft® software applications into their business software applications, replicate the solution, and distribute a fully-licensed solution to their customers.

ISVs within the ISV Royalty Licensing Program may integrate or embed Microsoft product(s) into their application(s) in any of the following ways:

- By embedding a Microsoft product into the ISV's application code
- OR
- By including a Microsoft product along with the ISV's application on the installation media
- OR
- By pre-installing a Microsoft product on a computer system that is part of the unified solution



The benefits of the ISV Royalty Licensing Program include:

- ➔ **Potential Cost Reductions.** May reduce installation, configuration, update and/or support costs.
- ➔ **Potential Revenue Increase.** Redistribute Microsoft licenses and Embedded Maintenance upgrade coverage, if applicable, with the ISV's solution to provide additional revenue stream or potential margin.
- ➔ **Ability to deliver a total solution.** Provide one-stop shopping for customers and avoid deployment delays. Customers won't have to go through a separate procurement process to acquire the Microsoft product licenses (i.e. the ISV is delivering a unified solution—the software product that is licensed to end users which: includes one or more licensed products, adds significant and primary functionality to the licensed product(s), and may include software that you acquire from third parties).
- ➔ **Extend product life cycle.** Sell version-specific unified solutions for up to 18 months after Microsoft releases a new version of the application which is embedded in the value-added business solution.
- ➔ **Wide selection of Microsoft software applications.** ISVs have access to a wide range of Microsoft Server applications, as well as some desktop applications.
- ➔ **Worldwide distribution.** ISVs can sell their unified solutions to customers in any part of the world, regardless of their own location.
- ➔ **Corporate and Academic customers.** ISVs can sell to Academic customers, such as schools and universities, in addition to Corporate business customers.
- ➔ **Earn Partner Points.** ISVs can earn partner points in the Microsoft Partner Program by signing up to participate in the ISV Royalty Licensing Program.
- ➔ **Royalty-Free Distribution.** Microsoft allows for rights of royalty-free distribution of demo copies to your sales force or third parties authorized by you and 120-day trial copies to end customers for evaluation purposes.

ISV Royalty Licensing Program Overview

**License Model** – All Microsoft server software applications offered in the ISV Royalty Licensing Program are licensed either in the Client-Server mode or in the Processor mode. All Microsoft desktop applications offered through the ISV Royalty License Agreement are licensed per device.

Each Microsoft software application offered through the ISV Royalty Licensing Program has an associated set of use rights, referred to as the End User License Agreement (EULA). There are two types of use rights offered through the Royalty Agreement:

- **Royalty Standard License** – In the ISV Royalty Licensing Program, the default license type grants you the ability to integrate or embed Microsoft applications and be licensed as part of your unified solution. This license grant also allows your customers to use the underlying Microsoft licensed product with other applications as long as they are still licensed for your (the ISV) application. The license grant to the Microsoft licensed product lives and dies with the license grant of the unified solution.
- **Royalty Runtime License** – Some licensed products offered through the ISV Royalty Licensing Program are offered with additional restricted use rights. The ISV customers:
  - Can use these applications only with the unified solution with which it was acquired.
  - Cannot use the Microsoft software 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.

The products that are currently offered with Runtime Use Rights are Microsoft SQL Server™, Microsoft BizTalk® Server, and Microsoft Speech Server.

Details regarding licensing in the ISV Royalty Licensing Program can be found at [www.microsoft.com/licensing/programs/isv](http://www.microsoft.com/licensing/programs/isv)

- Eligibility**
- Be an Independent Software Vendor with, or developing a unified solution using Microsoft software in the marketplace.
  - Commit to a minimum of US \$10,000 (or published non-US currency amount if applicable) in royalties paid to Microsoft during the two-year term of the ISV Royalty Agreement.
  - Incorporate the Microsoft Product Use Rights (PUR) into the End Customer Agreement for the unified solution. Microsoft provides sample End User License Agreements (EULAs) for products offered under the program.
  - Provide the front-line support for the unified solutions to your customers. To ensure the support level, you must meet one of the following three eligibility requirements:
    - Enroll in the Microsoft Partner Program at the Certified level or above
    - OR
    - Purchase a minimum of five technical product support incidents, either from Microsoft or from a Gold Certified vendor
    - OR
    - Submit a monthly royalty and distribution report for licenses distributed by ISVs
  - Provide product support for the unified solutions.

**Agreement Length** – 2-year term, which may be extended.

PURCHASING OPTIONS

	➔ Full Package Product	Open License	ISV Royalty License	Service Provider License Agreement	OEM System Builder
Description	Full Packaged Product (FPP) is boxed, shrink-wrapped software typically available through retail outlets. FPP is suitable for customers (primarily consumers) who need a small quantity of software licenses. Both full versions and upgrades licenses are available through FPP.	The Open license program provides volume purchases at the low entry of a minimum of 5 licenses or 1 server processor license on initial order. You may acquire a full version license or Software Assurance that gives end customers a right to upgrade.	The Microsoft ISV Royalty Licensing program is designed for ISVs that incorporate Microsoft technology into their value-added business solutions for commercial distribution to their customers. The ISV Royalty Licensing Program is the best option for ISVs that distribute a large number of unified solutions to all sizes of end customers.	The Microsoft Service Provider License Agreement (SPLA) enables an organization to license Microsoft products and use them to provide software services to its customers. An ISV may sign the SPLA agreement itself or ask other services providers to host its unified solution on their behalf.	The Microsoft OEM System Builder program is designed for system builders that build solutions using Microsoft software and distribute the total solution preinstalled on hardware to end customers. The OEM System Builder software is licensed to system builders and the system builders become the licensor of the systems distributed to end customers.
When ISVs Should Choose this License Option	An ISV may choose FPP when it plans to deliver its solution separately from the Microsoft software for less than 5 licenses on initial delivery. Microsoft is the legal licensor of the Microsoft software. The end customer must "break" the seal on the Microsoft software. ISVs may acquire and distribute FPP within a designated country or region.	An ISV may choose Open License when it plans to deliver its solution separately from the Microsoft software for 5 licenses or 1 server processor license on initial delivery. Microsoft is the legal licensor of the Microsoft software. The ISV must acquire Open License for each end customer under the end customer's name. ISVs may acquire and resell Open License within a designated country or region.	ISVs should choose ISV Royalty Licenses when they want to deliver their solution and Microsoft software as a unified solution to their end customer as a "one stop shop". The ISV will be the legal licensor of the Microsoft software and the ISV must sign the ISV Royalty Agreement with Microsoft, thereby making a minimum royalty commitment of US \$10,000 over a two year period. ISVs may distribute their unified solutions globally.	ISVs must choose SPLA if they plan to deliver their unified solution in a hosted environment or on a subscription basis. ISVs may provide software services globally. ISVs that host the software services must sign a SPLA with Microsoft.	ISVs may choose the OEM System Builder program when they plan to distribute their unified solution with hardware and/or operating systems. The ISV may become a system builder and acquire software from Microsoft Authorized Distributors.
Info	Contact your local reseller or distributor	<a href="http://www.microsoft.com/licensing/programs/open">www.microsoft.com/licensing/programs/open</a>	<a href="http://www.microsoft.com/licensing/programs/isv">www.microsoft.com/licensing/programs/isv</a>	<a href="http://www.microsoft.com/licensing/programs/spla">www.microsoft.com/licensing/programs/spla</a>	<a href="http://www.microsoft.com/oem">www.microsoft.com/oem</a>

SIGN UP

- ➔ Meet **one of the following** two requirements:
  - ➔ Enroll in the Microsoft Partner Program as a Microsoft Certified or Gold Certified Partner, at **<http://members.microsoft.com/partner/default.aspx>**
  - OR
  - ➔ Purchase at least 5 technical product support incidents from Microsoft at **<http://support.microsoft.com/default.aspx?scid=fh;EN-US;OfferProPhone>** or from a Gold Certified Support Partner
- ➔ Obtain the ISV Royalty License Agreement, Enrollment, and credit application form. Please contact your Microsoft Account Manager or **[isvroy@microsoft.com](mailto:isvroy@microsoft.com)** for help in obtaining these documents or pricing information.
- ➔ Sign two originals of the ISV Royalty License Agreement and ISV Royalty License Enrollment and fill out the credit application form.
- ➔ Submit these documents to the relevant Microsoft Operations Center in your region:

North America, Central America and South America
<b>The Americas – Microsoft Licensing, GP</b> 6100 Neal Road Suite 210 Reno, NV 89511 <b>Attn: Dept 551, Special Licensing</b>
Europe, Middle East and Africa
<b>EMEA – Microsoft Ireland Operations Limited</b> Atrium Building, Block B, Carmen Hall Road Sandyford Industrial Estate Dublin 18, Ireland <b>Attn: Licensing Program Operation</b>
Asia Pacific (except Korea)
<b>APOC – Microsoft Operations Pte Ltd.</b> 438B Alexandra Road #04-09/12, Block B Alexandra Technopark Singapore 119968 <b>Attn: Dept 551, Special Agreements</b>
Korea
<b>Korea – Microsoft Korea, Inc.</b> 5th Floor POSCO Center 892 Daechi-dong Gangnam-gu Seoul 135-777 Korea

- ➔ Upon execution of the documents, you will receive a welcome letter that contains information on how to get started (e.g., how to order fulfillment media and how to register for the online program tools).
- ➔ After obtaining the fulfillment media from Microsoft Licensing Fulfillment, the ISV can:
  - ➔ Integrate the Microsoft software into their unified solution
  - ➔ Replicate the entire solution
  - ➔ Prepare the end customer licensing agreement for the unified solution incorporating the Microsoft license terms
  - ➔ Sell the unified solution to their customers
  - ➔ Report sales to Microsoft within 15 days after the end of each calendar month
  - ➔ Provide end customer support

Sample of Microsoft product families available under the ISV Royalty Licensing Program:

- Microsoft Application Center
- Microsoft BizTalk® Server
- Microsoft Dynamics™ CRM
- Microsoft Point of Sale
- Microsoft Class Server Academic Edition
- Microsoft Commerce Server
- Microsoft Content Management Server
- Microsoft Exchange Server
- Microsoft Host Integration Server
- Microsoft Identity Integration Server
- Microsoft Internet Security and Acceleration Server
- Microsoft MapPoint® Business Mapping Software
- Microsoft Office Business Scorecard Manager
- Microsoft Office Project Professional
- Microsoft Office Project Server
- Microsoft Office SharePoint® Portal Server
- Microsoft Office Visio®
- Microsoft Operations Manager
- Microsoft Speech Server
- Microsoft SQL Server
- Microsoft System Center Data Protection Manager
- Microsoft Systems Management Server
- Microsoft Virtual PC
- Microsoft Virtual Server
- Microsoft Visual Basic® for Applications (VBA)