Microsoft® Authorized Refurbisher Program
Anti-Piracy Enforcement Messaging & Frequently Asked Questions

MAR Enforcement Messaging

- At Microsoft, we take the manufacture and sale of counterfeit software seriously. We are helping protect consumers and businesses from the dangers of counterfeit software disguised as genuine—and we're working to take the economic advantage out of dealing in pirated software.

- It is estimated that many refurbished PCs being resold today by companies that do not participate in the Microsoft Authorized Refurbisher (MAR) program contain counterfeit software, putting customers at risk and harming legitimate refurbishers and resellers. Microsoft is committed to helping ensure that customers get the genuine Microsoft software they expect when purchasing a refurbished PC.

- The MAR program provides partners with a cost-effective means of delivering genuine Microsoft software, distinguishing their business practices and certifying the validity of their offerings. It enables eligible refurbishers that partner with Microsoft to preinstall genuine copies of Microsoft Windows® XP operating system software and other Microsoft software on refurbished PCs.

- For customers, the benefits of the MAR program include knowing that the software installed on their refurbished computers is properly licensed and provides the same level of performance as they would expect when purchasing brand new machines. When they turn their PCs on, customers will get the out-of-the-box experience they expect from a new PC.

- Microsoft operates a program of refurbished PC test purchases to identify refurbishers and resellers who are marketing and selling counterfeit Microsoft software. Thousands of cases of illegal activity have been uncovered by Microsoft investigations into suspected illegal software, thanks to test purchases, mystery shopper programs and reports of suspected counterfeit from our customers and partners. This helps keep potential counterfeiters from viewing piracy as a crime without consequences.

- For example, Microsoft recently reached a financial settlement with PC Products & Services, Inc. over the sale of counterfeit Windows XP Professional and related media to unsuspecting customers following refurbished PC test purchases that resulted in sales of the counterfeit software.

- Intellectual property is a key driver of many economies around the world, and the refurbished PC test purchases are part of the Microsoft ongoing commitment to protect intellectual property, jobs, honest resellers and partners from dishonest dealers who victimize consumers and businesses by exposing them to the risks of counterfeit software.

- Although legal action is a last resort, Microsoft will act decisively to protect our partners from unfair competition and maintain a level playing field.

MAR Enforcement Frequently Asked Questions

Q. Why is software piracy such a big deal?
A. Software piracy is a serious and extremely damaging global problem that affects the software industry, global and local economies, and users of software. Software counterfeiting costs thousands of jobs around the world, results in hours of lost productivity, and can cost organizations using counterfeit software dearly.

Every year, millions of consumers and businesses are hurt by counterfeit software that they have acquired unwittingly, and many companies that license legitimate software have difficulty competing with artificially low prices offered by software pirates. Consumers, businesses and resellers continually ask Microsoft for help in mitigating the threat posed by pirates. Microsoft works to educate the software ecosystem about piracy, to engineer products that address these concerns, and to enforce anti-piracy policies and laws.

The sale of counterfeit software hurts the honest channel partners who are just trying to earn a living. Partners who must compete with pirates lose more than software revenue; they lose system sales and the opportunity to service those customers over the years. Microsoft will continue to protect its customers, partners and resellers by pursuing companies who persist in counterfeiting Microsoft software.

Q. How did Microsoft identify PC Products as selling counterfeit software?
A. Three separate refurbished PC test purchases from PC Products by Microsoft anti-piracy investigators resulted in sales of the counterfeit software. These test purchases were part of a routine, ongoing program started earlier this year by the MAR program.

Q. Can you tell me more about how the refurbished PC test purchase program works?
A. When we receive notice from customers or partners that might suspect pirated or counterfeit software, we may decide to test purchase from that vendor. Microsoft makes the purchase of hardware and software in the same ways as our customers make the purchase from computer dealers and software resellers across the country. Just as a customer takes the PC or software home, Microsoft takes it to a lab where they can test the software and software components to determine their authenticity.

If the software turns out to be illegitimate, we send out cease-and-desist letters telling that dealer to stop their illegal activities and providing information on how the dealers can purchase and provide legal, genuine software. Filing lawsuits is the last step and is undertaken only when the dealer continues to distribute the illegal product after being asked to stop. We would much rather educate dealers so they purchase and sell genuine software than bring a lawsuit against them.

Q. What has PC Products agreed to?
A. PC Products has agreed to cease and desist from manufacturing and selling counterfeit software (burned CD-R copies of Windows XP Professional recovery media and other Microsoft software), allow Microsoft to inspect PC Products' inventory and warehouse, and provide a list of those people or companies who either purchased counterfeit software from PC Products or provided counterfeit software to PC Products.

Q. How much is the settlement worth? What are the terms of the settlement?
A. Microsoft and PC Products have agreed to keep the financial terms of the settlement confidential.

Q. Does Microsoft hire private investigators to help with anti-piracy enforcement work? Doesn't that mean that Microsoft is 'treading on the toes' of local law enforcement?
A. Microsoft works in partnership with law enforcement agencies and private investigators to co-operate with anti-piracy investigations, as appropriate.

Q. Counterfeiting isn't a serious crime – why is Microsoft being so heavy-handed?
A. Counterfeit software has an enormous impact upon the software industry. Microsoft invests a tremendous amount of resources in its software development and distribution, which is impacted greatly by the effects of piracy. Additionally, Microsoft is committed to protecting its customers and its legitimate software resellers and partners from the threat and losses associated with piracy, and to prevent counterfeiters from taking advantage of innocent victims. Our customers tell us that they appreciate our efforts and are increasingly involved in the enforcement process, submitting evidence that helps lead to effective enforcement actions.

Q. What is the impact for the software industry when unlicensed software is sold?
A. The unlawful distribution and sale of unlicensed software has several negative consequences. It undermines legitimate partners' ability to sell Microsoft product. According to the Sixth Annual BSA and IDC Global Software Piracy Study, 41 percent of the software installed in 2008 on PCs worldwide was installed without legal licenses resulting in economic losses of nearly US $53 billion. Customers are also defrauded into purchasing unlicensed software and end up with an unlicensed product that denies them future upgrades, support and other benefits.

Q. How does Microsoft justify going after smaller companies such as PC Products?
A. Dealers who sell illegal products, whether big or small, harm other legitimate companies by undercutting their prices and causing them to lose business. Microsoft is committed to protecting customers, the legitimate channel and supporting honest resellers.

Q. How much does Microsoft spend on enforcement activities?
A. Microsoft is unable to provide figures such as this; however, we continue to invest as necessary in all anti-piracy efforts.

Q. Why is it important to use genuine Microsoft software?
A. By using genuine Microsoft software, you can be confident that you will have access to the latest features, security, and support, which will help to improve your productivity and expand the capabilities of your PC. You will also have access to new innovations and offerings available only to genuine Microsoft software customers.

Q. Why is it important for customers to buy from the legitimate channel?
A. The value of genuine software is undermined when products are distributed by dishonest dealers. It is important for customers to purchase from the legitimate channel to ensure they receive genuine products that are manufactured to the highest possible standards of product quality and reliability and to ensure that their support requirements are met.

Q. What should customers do if they think they have been sold counterfeit software?
A. A: Microsoft has a piracy hotline that consumers and businesses can use to report piracy. They can contact the hotline by telephone at 1-800-RU-LEGIT, or they can access a webform to report piracy at www.microsoft.com/piracy. If customers believe they may have been sold counterfeit software by a refurbisher, they should contact oemmar@microsoft.com for more information.

Q. How do I know if my Windows software is genuine?

A. Microsoft offers an online validation process that allows you to verify that your copy of Windows is genuine. You will be prompted to validate your copy of Windows if you request a genuine Windows download from the Microsoft Download Center. Alternatively, you can validate your copy of Windows by going to the Genuine Microsoft Software homepage located at http://www.microsoft.com/genuine and clicking "Validate Windows." The validation process is easy to use, only takes a few moments to run and, once completed, allows you to access genuine Windows downloads more quickly in the future.

Q. How does Microsoft help customers when they've obtained illegal software?

A. Microsoft is working along with industry partners to make consumers aware of the risks associated with acquiring and installing counterfeit software such as exposure to critical issues and identify theft. As part of the Genuine Software Initiative (GSI), Microsoft is encouraging customers to use the Windows Genuine Advantage (WGA) tools and the other information available on http://www.microsoft.com/genuine to help ensure they have genuine software. To ensure customers receive genuine software and the best price, Microsoft recommends purchasing the operating system pre-installed on a new PC.

Additionally, Microsoft Web sites such as How to Tell at http://www.microsoft.com/resources/howtotell, provide detailed information and examples of counterfeit software and provide guidance on what consumers should watch out for before purchasing software, to ensure they are making informed decisions. Questions that consumers should consider when buying a new or refurbished PC are:

- Are you buying from a reputable reseller?
- Is a Certificate of Authenticity (COA) included?
- Is a hologram CD, DVD, or recovery media included?
- Are the product packaging and documentation high quality?

Q. What is the Genuine Software Initiative?

A. GSI focuses the company's many activities and investments directed at combating software counterfeiting and other forms of software piracy into a single coordinated effort. The initiative focuses on increasing investments across three strategic areas:

Education

Microsoft is raising awareness among customers and resellers about the risks of counterfeit software to enable them to better protect themselves and ensure that their software licensing is in order. Microsoft Web sites such as How to Tell at http://www.microsoft.com/resources/howtotell provide detailed information and examples of counterfeit software. Microsoft is also working along with industry partners to make consumers aware of the increasing risks associated with acquiring and installing counterfeit software, such as exposure to critical issues and identity theft.

Engineering

Microsoft is continuing to invest in anti-counterfeiting technologies and product features that protect its intellectual property and alert consumers to the presence of counterfeit software. These technologies include improvements in programs such as Windows Genuine Advantage.

Enforcement

Microsoft actively supports government officials and law enforcement agencies in taking action against software counterfeiters. Already this year thousands of reports of counterfeit software have been filed by consumers through the Microsoft Windows Genuine Advantage Web site as well as by e-mail at piracy@microsoft.com. These reports have contributed directly to the filing of numerous civil actions against software pirates around the globe.

Q. What is the MAR program?

A. The MAR program enables Microsoft to work with large PC refurbishers and qualified OEMs to license genuine Windows on refurbished PCs for the commercial market.

Q. What are the benefits of the MAR program for refurbishers?

A. The MAR program provides refurbishers several benefits including: recognition and status as a MAR partner, an enhanced relationship with Microsoft, an opportunity to build additional revenue and margin via market differentiation, access to proprietary tools to simplify Windows deployment on refurbished PCs, and cost effective operating system licenses for refurbished PCs.

Q. How does the MAR program work?

A. The MAR program is open to major OEM refurbishers headquartered worldwide that meet the eligibility requirements including: supplying large volumes of refurbished PCs (at least 5,000 per month over the past 12 months), demonstrating technical competence, security and environmental compliance, receiving Microsoft credit approval, and having quality operations, systems and security measures.

There is no set enrollment period. Refurbishers can apply to become a Microsoft Authorized Refurbisher anytime during the year. MAR participants must renew their program participation annually by August 1 and must remain in good standing to retain their status as a MAR. MARs sign an agreement with Microsoft and obtain the materials they need from established distribution processes. The refurbisher then pays a royalty on each license to Microsoft.

Q. How can I find more information on the MAR program?

A. More information about the MAR program is available at http://www.microsoft.com/refurbishedpcs or by sending email to oemmar@microsoft.com.

Q. What is a 'Refurbished' PC?

A. As defined by Microsoft, a refurbished PC is a used PC that has gone through the following processes that leave the PC ready for use by a new owner:
- Data wiping to remove all data and software that was previously installed on the PC. Professional refurbishment includes the use of specialized disk formatting tools to ensure that data cannot subsequently be recovered.
- Testing to ensure that the PC works and is safe to use.
- Minor repair and/or replacement of defective PC components.

Q. Benefits of the MAR program for customers who purchase refurbished PCs?

A. End user customers that purchase refurbished PCs from Microsoft Authorized Refurbishers can be assured that the PC is supplied preinstalled with a genuine Windows XP license. By obtaining refurbished PCs from a MAR, they have the opportunity to obtain a solution, rather than just hardware, and enjoy the benefits of genuine licenses including downloads, upgrades and enhanced features.

Q. Does Microsoft have any other programs for refurbished PCs?

A. Yes, Microsoft also has a Community MAR program that allows participating refurbishers to supply refurbished PCs to recipients such as schools, non-profit organizations and other eligible community users. Information about the Community MAR program can be found at www.microsoft.com/refurbishedpcs.