



INFOTECH

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Licenses key to avoiding 'PC police'

You've seen end-user license agreements (EULAs) before. You click through them every time you install a new piece of software. But have you ever read one? Do you know which of your children you're giving away by agreeing to install? Most of us never give a thought to what those agreements say — or the effect they might have on our businesses if not followed.

EULAs come in all sorts. They generally are written to protect the software developer's rights, and limit liabilities and damages from use of the software. But buried in the depths of these legal agreements are limits and restrictions that can add liabilities to your business — risks you might not be aware of.

On the front lines of software licensing enforcement is the Business Software Alliance (www.bsa.org). The BSA enforces software licensing through law enforcement raids, with fines reaching into the hundreds of thousands of dollars. Such heavy-handed enforcement provides plenty of incentive to understand and follow proper licensing practices.

Academic or private (non-commercial) use

One of the most prevalent license issues is the use of academic or home-licensed software on business computers. Most software utilities available for download are licensed for free use only in academic and non-commercial settings, and require payment for business use.

The trap most businesses fall into is assuming

that if the program will run without a license key, no payment is required. The software developer is effectively putting you on the honor system to pay for the software if it's used in a business setting.

Non-transferable licenses

Depending on the software vendor, the EULA might limit your ability to transfer the ownership of the license to a third party. This tactic is designed to increase new license sales by removing the secondary "used" market. Where this becomes a sticking point is when you buy or sell a business where software licenses are carried on the balance sheet.

Carefully reviewing the text of these software licenses can ensure you aren't paying for licenses that will not be recognized by the vendor when you need upgrades or support. And if you're selling a business, a simple review can make sure you aren't opening yourself up to a misrepresentation of your assets.

Open source software

One of the most small business-friendly licensing models is called open source software, or OSS. Software that falls into this category is generally free for use in both business and home settings. Limitations, if any, are related to modification and re-distribution of the software, and therefore not much of a concern for the typical small business.

In recent years, OSS has rivaled some of the most successful commercial software. The Firefox Web browser from the Mozilla Foundation (www.mozilla.com/firefox), and the OpenOffice office productivity suite (www.openoffice.org) are two such free solutions. Consider looking into OSS to lower your information technology budget and limit your software licensing risks.

So the next time you install a piece of software, take a minute to review the licensing agreements. You might just find issues that your corporate attorney might want to review. Remember, it only takes a few minutes of well-spent time to be safe and worry-free.

Most of us **never give a thought** to what (end-user license agreements) say — or the **effect they might have on our businesses** if not followed.