

# 2 Pages on License Protection

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## Introduction

One of the most annoying features of modern software is the **licensing**. Sometimes it's a hardware dongle<sup>1</sup> that will cause all kinds of trouble (if you have an appropriate port available for it). Other times, online activation fails for unknown reasons, or known reasons without an easy remedy. When you purchase a new computer, it takes virtually forever to find and install old licenses. And worst of the lot are the systems that require checking out a license from a network license manager at runtime; when they fail (they do), so does the business processes that rely on them.

## The Big Question

So why is licensing needed in the first place? Presumably it's because people will steal your software if it's not protected. And judging by the way everything that's copyable is indeed stolen – music, computer games, audio books, office software, and so forth – the assessment seems to hold. Of course, one of the arguments of the criminal people who steal software is that *they wouldn't pay the license cost if they couldn't steal it*, so for that reason, *it's not actually stealing at all*. Aha! Well, flawed logic aside, for software vendors it makes a weird kind of sense; if they won't get the money either way, it's not such a big deal (except for group-targeting with different prices, new license models, light versions, and the usual stuff for getting people to pay all they can afford). The users who do pay license costs, on the other hand, will probably care about **picking up the bill for the thieves as well** (c'mon, of course they do!), and also be slightly bothered that it's possible for others to compete with same tools but lower costs by stealing.

Did you notice that all of the above does **not** build a great case for adding license protection to a product? Surely, there must be other reasons than stopping people who are not your customers from accessing software that they won't ever buy? In fact, there are a couple of obviously good reasons for licensing:

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<sup>1</sup> If you do not know what a dongle is, don't ask.

- 1) Helping customers pay what they should. This is especially true for companies using a lot of software; it's not easy to make sure that the right licenses have been purchased. (Licensing in this sense has nothing to do with stopping people from using software.)
- 2) Helping people who would like to be thieves stay on the straight and narrow.

I understand that all of this sounds a little harsh (especially if you are a thief), but as I see it, that's the sad state of affairs. **Current ethics simply do not correlate with the laws and regulations concerning intellectual property and copyright laws.** But that's another story – matching modern licensing models with current ethics and a new generation's<sup>2</sup> view of intellectual property and copyright.

## Who Makes the Money?

As it turns out, **licensing incurs a cost for almost all parts of the software food chain.** Software vendors pay for licensing products to be integrated in their applications. End users pay an increase in price (to cover for some of the time and money spent on the licensing system), not to mention the additional complexity and time needed for registration and license activation, problems when moving to a new computer, and so forth. Also, the support organizations of software vendors spend a lot of time trying to sort out customers' licensing problems.

But **vendors of licensing software make money.** And I suppose it's possible that criminals who spend their time breaking software protection are able to make some money, but I'm not sure if that's the case.

## Business Value in Software Systems

It is my firm belief that features in software should exist because they add business value to the customer. Sometimes the business value is not apparent; for example, software logging and error reporting doesn't seem to add value – wouldn't it be better if the software always worked<sup>3</sup>? Well, the added business value is that those features increase the overall uptime, which is a key factor for all (business critical) software systems. There are a great number of features like this, where the business value might need a domain expert to explain (or better, calculate) the business value. However, I have yet to be convinced of the business value of licensing. Even the argument about helping customers pay the right license fees falls short when I think of alternative ways of providing that service.

I believe that license protection of modern software should be **reduced**. Yes, that's right, *reduced*, not *removed*. It's not a black-and-white world<sup>4</sup>, and it doesn't make sense to send your software out into it without some sort of protection. Perhaps there'll soon be a good example of what I mean by reduced license protection; when we start selling some of Skeleton Software's products. Until then, you will have to make your own conclusions on how a license protection system might add business value to a product.

Thank you for reading,

Bjorn Karlsson

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<sup>2</sup> Not in the biological sense, but in a "we-are-used-to-having-copyable-things-at-our-fingertips" sense.

<sup>3</sup> What a good idea! But no, it would **not** make sense from a business perspective (but this sad fact must eventually change).

<sup>4</sup> Damn. Now my Asperger's-ish side of the brain is hurting.