

White Paper

The Low-down on Software Licensing: What Every School Should Know

This paper is designed to help you identify how you can improve the management of software licensing in your school and avoid infringing the Copyright Designs and Patents Act 1998. It provides you with the guidance you need to:

- ◆ Understand software piracy according to the law
- ◆ Recognise the most common pitfalls that can occur in schools
- ◆ Help you implement the right licence management system in your school
- ◆ Ensure that your school is compliant, in the event of an audit



Software piracy (also known as software theft) is an issue that should be on every school's agenda. If someone at your school is suspected of using illegal software - even unintentionally, a court can order a full inspection of the school without warning.

In addition, the Business Software Alliance (BSA) has embarked on a major campaign designed to 'clean up' software piracy in organisations in all sectors across the UK. Last year, the BSA collected more than £6 million in penalties for organisations using software illegally. The misuse of software has resulted in legal action against UK educational establishments too. One example is Rawlins Community College, a local authority funded college in Loughborough. They admitted to having unlicensed software on their network and settled with the BSA for £15,000.

Schools and colleges are particularly vulnerable when it comes to dealing with software licensing. In many schools, it's down to the teachers, not dedicated technicians or IT Managers, to purchase and manage the IT equipment and software. It's not surprising therefore that many schools are unclear about the legalities of using software.

This is borne out by the results of a survey conducted by the British Educational Suppliers Association (BESA) in 1999. Half the schools surveyed found licensing complex and many teachers were unsure whether and under what circumstances copying of software was allowed.

The difficulty for teachers is in the many different formats, sources and uses that software has. There are no set criteria for what has to be included in a licensing agreement and publishers often impose many of their own different conditions. The type of licence required depends on the intended use of the software, the market sector in which the software is used and the way in which it is delivered to the user (for example via a single PC or across a network). In the schools market, the grey area of licensing for both home and school use can further complicate the issue.

Common licence types include:

- ◆ Single use or end user licence agreements
- ◆ Sites licences
- ◆ Network licences
- ◆ Concurrent licences
- ◆ Multi-user licences

Each of the licence types above has their own conditions governing terms of use.



Why Licensing Is So Important

Licensing is important to ensure that the creators of materials and resources are acknowledged for their work, and that materials are used legally and without risk of prosecution.

When a software product is purchased (CD-ROM, DVD-ROM or online) it is subject to a contract under which the purchaser has ownership of the physical materials. The software contained on the CD-ROM remains the intellectual property of the publisher, and therefore it can only be used under licence from the publisher.

There is a provision in law to allow for 'lawful use'. This entitles the user to install the programme, make a back-up copy and take a few other actions to enable the programme to function as intended. However, further copying beyond this initial 'lawful use' is in breach of copyright and is illegal without the consent of the copyright holder (usually the manufacturer).

The use of unlicensed or pirated software of course puts schools and colleges at risk. There may be penalties in terms of legal costs, fines or even prosecution, plus there is the potential risk of receiving harmful viruses on the network. More obviously, no technical support or product upgrades are available for unlicensed or pirated software.

Common Infringements

In the education sector, misuse of software can occur for a number of different reasons.

Schools need to look out for and avoid these common breaches:

- ♦ Sharing software across a computer network, when the programme is licensed for use on only one machine or a limited number of users
- ♦ Making multiple copies (using a CD duplicator, for example) of a software program for use in a computer lab, when the licence only covers the original software product for use on a single PC
- ♦ Using software without checking whether a licence has been included, or not reading the terms of the licensing agreement
- ♦ Copying a programme for use at home and at school when the licence is to be used only on the school premises. Students using laptops in school do not have home usage rights for software licensed by the school (the licensing of software for home use by a teacher may be dependent on whether the teacher's home computer is a school asset, but schools are advised to check the publishers' licence terms)
- ♦ Pupils 'inadvertently' installing extra copies of the software on their PC when CD-ROMs are handed out for classroom use
- ♦ Pupils installing their own programs or games brought from home on school PCs (in the Computer Lab for example) without the knowledge of the teacher or network administrator. There is also the potential risk of viruses coming into the school and causing disruption.
- ♦ Unlicensed lending, renting or leasing. For example, lending software through school libraries.
- ♦ Pre-installed unlicensed software. Whilst the vast majority of PC manufacturers and software resellers run honest businesses, some of them try to save money for themselves and their customers by pre-installing unlicensed software
- ♦ Used computers. Beware of computers that are bought second-hand or donated to the school. The licence rights to used installed software can usually be transferred with a PC - but it will be the school's responsibility to prove that the software installed is illegal.





Advice For Schools

So what can schools do to ensure that they are correctly licensed to use their software and to avoid some of the common pitfalls as described above?

1. Firstly, establish a software purchasing policy. For each program required confirm what the intended use of the software will be (on or off site) and whether single, multiple or networked access will be required. Will the licence agreements provided be suited for the intended use?
2. Review the school's licence administration policy. Confirm what procedures are in place to ensure all buyers, administrators and users of software in school are aware of the constraints of licensing agreements. Organisations such as the BSA (www.bsa.org) and the Federation Against Software Theft, known as FAST, (www.fast.org.uk) offer guidance on good licensing practice.
3. Conduct a regular software audit, to record and review software licences held across the school. This is important to ensure that software is being used legally, as well as economically.
4. Consider purchasing a CD/DVD server with built in licence metering and software management tools. A good CD networking solution will help improve software management and control the use of licenses in your school.



How Can a CD/DVD Server Help?

From a schools perspective, a CD/DVD server can bring many advantages. Not only does a CD/DVD server provide an effective and secure means of storing and sharing software, but it also does away with any potential risks of loss or damage to CDs. The students themselves never physically handle the CD-ROMs; instead access to individual CD titles on the server is managed centrally over the network.

The Avantis solution comes with built-in licence metering software that regulates the number of concurrent users accessing a CD title on the server. When all the licences are in use, further requests to access the software will be denied. The utility also helps to improve budgeting for software purchases as it reports on licence utilisation and number of access denials.

Avantis CD/DVD servers have already been successfully deployed in over 4,000 schools and colleges in the UK.

Further information on Avantis can be found at www.avantisworld.com

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