

# Education Operating System Licensing Q&A

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**For more information on licensing please visit <http://www.microsoft.com/licensing> or <http://www.microsoft.com/education/HowToBuy.msp>**

## **Frequently Asked Questions**

### **1. What is a software license?**

ANSWER. A software license gives a person (or an institution) the right to use a software product in a particular way. The terms of the license agreement describe the permitted uses of the software. Copyright law also limits how a person may use the software. A person needs a license for each software program he or she installs on a computer.

### **2. How does copyright law apply to software licensing?**

ANSWER. According to the U.S. Copyright Act, it is illegal to make or distribute copyrighted material (which includes computer programs) without specific authorization from the copyright owner. The unauthorized duplication of software constitutes copyright infringement, regardless of whether it is done for sale, for free distribution, or for the copier's own use.

### **3. What is an OEM license?**

ANSWER. An "OEM" license is a license distributed by an Original Equipment Manufacturer, or an "OEM." An OEM is a person or company who builds and sells computers. Some OEMs also distribute software, especially operating systems such as Microsoft® Windows.

### **4. When a school or institution enters into a Microsoft Volume Licensing agreement (Campus Agreement, School Agreement, Academic Open, Academic Select), does that mean it is licensed for a full Microsoft® operating system (OS), such as Windows?**

ANSWER: No. Microsoft Volume Licensing only licenses a school or institution for an upgrade for Windows, and sometimes for a downgrade to an earlier version of Windows. There are only three ways for an education institution to obtain a full operating system:

- Acquire the Full-Packaged Product from a retail store.
- Acquire a new PC with an OEM version of the operating system preinstalled.
- Acquire an OEM license with additional hardware from your system builder.

### **5. What underlying full operating system license qualifies for Windows operating system upgrade licenses offered through Microsoft Academic Volume Licensing programs?**

ANSWER. For upgrade eligibility for licenses acquired through Academic Open or Academic Select, refer to the current Microsoft Product List available at

<http://www.microsoft.com/licensing/resources/default.asp#prodlst>.

In order to qualify for the Windows OS Upgrades offered through Campus Agreement or School Agreement, you or your users must have a valid license for a Microsoft Windows operating system on each PC on which the software is run.

### **6. What is the difference between OEM product and Full-Packaged Product (FPP)?**

ANSWER. OEM products are intended to be preinstalled on hardware before the end user purchases the product. They are "shrink wrapped" and do not come in a box like the retail products do. Full-Packaged Product (FPP) is boxed with CD(s), manuals, and the EULA and is sold in retail stores in individual boxes. The End User License Agreements (commonly referred to as "EULAs") for OEM and FPP products are slightly different. One main difference is that an OEM operating system license (such as the license for Windows) cannot be transferred from its original PC to another PC. However, the FPP version of Windows may be transferred to another PC as long as the EULA, manual and media (such as the backup CD) accompany the transfer to the

other PC. Also, when a customer purchases an OEM product, the OEM license requires the OEM to provide support for the product.

**7. How do I know whether I have a genuine OEM license for my operating system?**

ANSWER. Microsoft has a website that helps customers determine if they have acquired genuine Microsoft products at <http://www.microsoft.com/howtotell>. After reviewing the site, if you believe that your Microsoft product may be suspect or counterfeit, you should report this suspected piracy in the tool provided on the website. Alternatively, you may call 1-800-RULEGIT or e-mail [piracy@microsoft.com](mailto:piracy@microsoft.com) to report any suspected counterfeit or pirated software.

**8. What do I do if I realize that I do not have a full license for Windows, or if I received a donated PC that did not come with an operating system license?**

ANSWER. If you do not have a genuine operating system license, you can acquire a Full-Packaged Product (FPP) version of the product from your local retail store. Or you may purchase an OEM version of an operating system from a Microsoft System Builder, subject to the requirement that you purchase hardware with that OEM version of the product. At that time, you should receive a genuine EULA, Certificate of Authenticity (COA), and manual. Visit the Microsoft How to Tell website to determine whether you have genuine software and licensing; <http://www.microsoft.com/piracy/howtotell>.

**9. Can I transfer my operating system license from an old PC to a new one?**

ANSWER. Not unless it was purchased as a Full-Packaged Product from a retail store (i.e., Windows in a box). Current OEM licenses for all Microsoft operating system products are not transferable from one machine to another. The End User License Agreement (EULA) governs the terms for transfer of licenses. Some EULAs for copies of certain older OEM operating system products (i.e., MS-DOS®, Windows® 3.1, and Windows for Workgroups 3.1) distributed in 1995 or earlier may permit transfer of the OEM operating system software license under limited circumstances. (See Software Product Transfer section of your End User License Agreement.)

**10. If I “retire” a PC with an OEM license on it, can I use that software on a new PC?**

ANSWER. No. To put it simply, OEM product is “married” to the original PC on which it was installed. Current OEM licenses are not transferable from one machine to another. The software cannot be moved from PC to PC, even if the original PC it was installed on is no longer in use. This is true for all OEM software – operating systems and applications.

**11. Rather than purchase completely new PCs, my organization performs in-place upgrades to the hardware on many of our computers. We often times only replace the motherboard, processor, and memory. Since the COA is still on the case and the OS is still installed on the hard drive, this computer is still licensed, right?**

ANSWER. Generally, you may upgrade or replace all of the hardware components on your computer and maintain the license for the original Microsoft OEM operating system software, with the exception of an upgrade or replacement of the motherboard. An upgrade of the motherboard is considered to result in a “new personal computer.” Microsoft OEM operating system software cannot be transferred from one computer to another. Therefore, if the motherboard is upgraded or replaced for reasons other than a defect then a new computer has been created, the original license expires, and a new full operating system license (not upgrade) is required. This is true even if the computer is covered under Software Assurance or other Volume License programs.

**12. If I upgrade some of my PC components, do I have to purchase a new operating system?**

ANSWER. The answer depends on the components that are upgraded or changed in the PC. The operating system licenses must remain with the device that retains the motherboard, chipsets, and chassis that include the serial number of the device. The operating system may be installed on a new/replacement hard drive as long as the operating system is first removed from the old hard drive.

Please refer to the section on “Modifications to hardware and how they affect the activation status of Windows XP” in the following link for a more detailed explanation regarding specific hardware

changes. The same hardware component changes that can be made to a PC before requiring re-activation of Windows XP are the same changes that can be made before a PC is considered to be “new” - and when a new license for OEM software is required.

<http://microsoft.com/piracy/basics/activation/windowsproductactivationtechnicalmarketbulletin.doc>

**13. Am I allowed to “downgrade” with my OEM operating system license?**

ANSWER: OEM Operating system licenses (with the exception of Windows XP Professional) do not include downgrade rights.

The Windows XP EULA grants you a “downgrade” right, that is the right to install and run a previous version of Microsoft Windows. However, under the terms of the EULA, the Windows XP EULA remains applicable. In order to downgrade, it is necessary for you to accept the terms of the Windows XP EULA by going through the initial start-up process and accepting the Windows XP license. Thereafter, you (or the OEM, on your behalf if authorized) may delete Windows XP from the computer and install a prior version of Microsoft Windows. You user may not install a prior version unless your have deleted Windows XP from the computer system. The EULA specifically provides that neither the OEM nor Microsoft will provide support for the downgraded version or supply the media from which you will copy the downgraded version. You (or the OEM on your behalf) may use the media from any genuine Microsoft software for which it is legally licensed to install the downgrade software, for example: Select, Open, Retail (FPP) or system builder (E2E) media. (Note that the installation of a prior version of Microsoft Windows using media supplied in connection with another legally licensed computer does not affect the license status of such other computer (i.e. You do not have to delete the earlier version from the other PCs) – Microsoft is simply authorizing you to use this media to accomplish the downgrade on the new computer system.) You retain the right to reinstall Windows XP at any time, provided you also delete the prior version.

Windows XP Professional is the only MICROSOFT OEM software product which grants such a downgrade right.

**14. Can I transfer my upgrade (VUP [Version Upgrade], CUP [Competitive Upgrade], PUP [Product Upgrade], UA [Upgrade Advantage], SA [Software Assurance]) operating system licenses from an old PC to a new one?**

*Example. A customer had an older machine that came pre-installed with MS-DOS and Windows 3.1 and the customer then acquired a Windows 98 upgrade license via the Academic Select Program. If the customer decided to donate the machine to a charity, could he or she remove Windows 98 from that machine and then transfer the Windows 98 upgrade license to a different machine within their organization?*

ANSWER. No. Under Academic Select and Academic Open, operating system upgrade licenses are tied to the machines on which they are first installed. If a customer acquires an upgrade license via one of those programs and then installs that upgrade on a given machine, the upgrade license is then tied to that machine and may not be transferred to another machine, regardless of whether or not the upgraded software is removed from the original machine. Upgrades are simply product upgrades to the original license. They do not constitute new licenses in themselves.

**15. Do the same OEM licensing terms apply to server products as they do to desktop operating system products?**

ANSWER. End User License Agreements (EULAs) vary among products and you should check the EULA for each product before installing them. In general, OEM server and OEM desktop operating systems have similar EULAs, e.g., they are generally non-transferable and there are normally no downgrade rights.

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