

Autodesk Software Audits – What you need to know!!



This blog is written by Steven C. Vondran, Esq., IP attorney with offices in California and Arizona. This is general information only and not legal advice.

Our copyright infringement defense law firm has likely handled more Autodesk software compliance issues than any other law firm in the United States. We have handled HUNDREDS of cases over the year and have developed a deep understanding of how they work, both internally, and with their outside legal team. This blog will tell you about some of the basics companies should know when faced with a licensing compliance audit.

1. Here is their audit clause

21.5 Compliance

Autodesk has the right to verify the installation of, access to, and use of any Offerings by You and Your Authorized Users. As part of any such verification, Autodesk or its authorized representative has the right, on 15 days' prior notice, to inspect Your records, systems and facilities, including machine IDs, serial numbers,

Autodesk IDs, and other related information, on Your premises using an Autodesk approved verification tool. In addition to Autodesk's right to perform a verification on Your premises, You shall within 15 days of such verification request, provide a report to Autodesk using an Autodesk approved verification tool, that contains information relating to the installation of, access to, and use by You and Your Authorized Users of any Offerings including machine IDs, serial numbers, Autodesk IDs, and other related information. If Autodesk determines that Your installation of, access to, or use is not in conformity with these Terms (including any Additional Agreement, Special Terms or other applicable terms), You will immediately purchase new subscriptions to remedy the noncompliance, and pay Autodesk's reasonable costs of the verification. Autodesk reserves the right to seek any other remedies available at law or in equity.

Let's break this down (what it means):

- They have a right to audit any company that uses its products
- They assert a right to audit your independent contractors that you have assigned licenses to (over assignment of licenses is a common compliance issue)
- This clause gives them the right to inspect your "facilities" (meaning in person, but in my experience, this is rare, and if asserted, I would ensure they are in full compliance with Covid mandates).
- Autodesk has its clients' run "scans" of each computer to determine what products are installed (ex. AutoCAD, Revit, Maya, Inventor, etc.) and compares that with your licensing position. Any shortages are subject to their remediation (purchase new subscriptions and pay their reasonable costs of verification).
- They will typically give you 15 days to run the scans, and work out a deal (generally, I have found extensions to be possible).

2. How they find out companies are using unlicensed software

Some of the common ways Autodesk finds out about unlicensed software usage:

- You posted a job ad on Indeed or other job board requesting candidates with Revit or AutoCAD experience (and you have no licenses)
- You download an unlicensed copy through BitTorrent and it tracks your usage with "phone home" technology

- There is an internal “*whistleblower*” (disgruntled ex-employee for example)
- You installed a pirated version through a thumb drive or other apparatus
- You purchase a bogus copy of their software from a non-valid reseller
- Buying pirated copies of software on sites like eBay
- You submitted a drawing for a project bid and the requirements are that the project be in Revit, and they find out you are not a licensee of the Revit product (thin government contracts)
- Your LinkedIn profile (or company website) states you are skilled in Autodesk products (but when they look you up in the customer database you have no license)
- Over-installing/over-assigning licenses (unfortunately, their software lets you do this)

3. *General overview of the audit process (3 types)*

There are three ways Autodesk may engage you in a software audit:

- Letter from Autodesk internal (Bay area) asking you to engage in a audit. Some, they claim, are “RANDOM AUDITS”
- You get a letter from the Business Software Alliance (“BSA”) requesting an audit (many times these are the “informant” cases where the whistleblower can actually recover a small reward for informing them of the pirating, if the case pans out).
- You get an audit demand letter from Donahue Fitzgerald, their outside IP legal counsel, demanding you engage in an audit.

4. *Negotiating settlements*

The key in these cases is to identify what products you are short, what licenses you need, and figure out a fair settlement amount. There are a variety of approaches that can be taken, and this will be the subject of a separate blog post.

5. *Some of their tactics*

Autodesk has a variety of tactics to settle cases, here are a few of the main ones:

- They will threaten to shut off your software programs (which are web-based) if you do not settle the case with them.

- They will potentially strong-arm you and tell you if you hire a lawyer the fees will go up (even though typically they have a team of lawyers on their side), making this a questionable fair audit process at best.
- They will threaten to elevate the case (potentially to a federal court copyright infringement lawsuit).
- They will try to force you to audit your independent contractors.

Contact a software audit and licensing compliance law firm

Our firm is perhaps the #1 software audit defense law firm in the United States. We have handled HUNDREDS of cases with a variety of software publishers including Microsoft, Adobe and the *Business Software Alliance*. For more information, visit us at VondranLegal.com or go to our popular YouTube channel (38,000 subscribers and 4 million video views) at AttorneySteveVideos.com.

We can be reached by phone at (877) 276-5084. We accept referrals from corporate in-house lawyers. In this specialized area of copyright law, there is no substitute for experience.