

Software Audits: Proving Ownership of Software Licenses

By Keli Johnson Swan

Often the single most arduous and time-consuming task facing companies who are the subject of software audits is collecting entitlement information to prove ownership of licenses for software installed on its networks. Once a company receives an official audit letter from a software publisher, or one of its representative entities such as The Software Information & Industry Association (“SIIA”), or Business Software Alliance (“BSA”), the first step is to conduct an analysis of software installed on its network.

After identifying copyrighted software on its network, a company must provide proof that it owns a valid license for each copy of software installed. Regardless of how long the software has been installed, a company must produce entitlement information to avoid potential penalties for copyright infringement.

Auditors are seeking the following information from proof of purchase documentation:

- 1) The name and version of the software product
- 2) The date of purchase
- 3) The name of the company on the invoice
- 4) The price paid for the software

Typically, documentation containing the above information will be acceptable as proof of a valid license if the vendor is authorized to sell licensed software. Some vendors are not authorized to re-sell copyrighted software, so even if a company believed it was paying for a valid copy, it will be required to pay a penalty for lacking an authorized license.

An alternative method to prove ownership of licenses is obtaining reports from vendors, such as Dell or CDW. Additionally, Dell offers through its web site an opportunity to generate Dell service tags reports which detail the original pre-installed software on each machine.

It is important to initiate the search for entitlement information as soon as the initial audit letter is received. Companies often determine that thorough record-keeping can make future software compliance more effective and efficient.



About the author Keli Johnson Swan:

As an associate attorney at Scott & Scott, LLP, Keli is primarily focused on software licensing and copyright infringement matters. She advises clients in a variety of industries to ensure compliance with software licenses and develop strategies for maximizing the value of software licenses.

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