

# CAMPAIGN FOR CLEAR LICENSING MANIFESTO

## Executive Summary

*This document:*

- Proposes a new not-for-profit regulator for the software licensing industry
- Aims to describe the objectives and core deliverables for such a regulator
- Is designed to generate industry feedback and support

*Contents at a Glance:*

- *Introduction / Market Synopsis*
- *Objectives and Guiding Principles*
- *Key Deliverables and Core Activities*
- *Resources Required*
- *Revenue / Business Model Options*
- *Founders*

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**Campaign for Clear Licensing**

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## Introduction & Market Synopsis

Most businesses are enthusiastic about technology and are happy to pay a fair price for it. However, software licensing is complex and in some cases has become a hindrance to the adoption of new transformative technology and innovation.

Certain software publishers view licensing purely as a mechanism for either extracting revenue or protecting market share rather than serving the interests of customers. Many terms within license agreements are either unclear, unmanageable, place excess risk on the customer without opportunity for negotiation or simply move too quickly for the customer to keep up. Moreover, in some instances confusing licensing terms are exacerbated by dubious selling techniques and destructive vendor / customer relationships.

## Software Licensing Market Pivot

Several trade bodies exist within the software licensing market such as the BSA, SIIA and FAST. These organizations are squarely focused at intellectual property protection and raising the profile of software as an asset. No such trade body exists to protect the interests of business users of software and prevent manipulation of buyers through uncompetitive selling techniques.

## The Barium Manifesto

The Campaign for Clear Licensing began as an article on The ITAM Review entitled ‘The Barium Manifesto’<sup>1</sup>. Chemicals such as Barium are used in medicine when a Doctor needs to examine the digestive system. With clear visibility and transparency of the insides of the patient, the Doctor can make an informed prognosis.

The original article argues that a similar analysis needs to be performed on the Software Industry, shining a light on the inner workings. More transparency in the licensing market would bring more competitiveness, less confusion and ultimately more solutions built. IT and software in particular is an enormous part of business today, and software licensing is the vehicle for transacting business with customers. Software licensing should be an enabler of corporate strategies not a blocker to progress.

“Why the need for a countervailing entity that looks out for software buyers? It’s pretty simple: anyone involved in the procurement and/or interpretation of software licensing would agree that among the major software vendors, licensing practices often border on predatory and don’t adequately clarify terms in such ways that can be a) understood by the layperson, b) applied across the mishmash of platforms and infrastructures that comprise the typical enterprise, and 3) reasonably enforced by organizations with the best of intentions.”<sup>2</sup>

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<sup>1</sup> <http://www.itassetmanagement.net/2012/12/24/barium-manifesto/>

<sup>2</sup> <http://www.expressmetrix.com/blog/3163/licensing-clarity-movement/>

## Objectives & Guiding Principles

*It is proposed that a new not-for-profit regulator is created for the software licensing industry.*

### Mission:

The Campaign for Clear Licensing will work with software publishers, end users and the reseller community to reduce the indirect costs of using commercial software by improving the clarity and usability of software license terms and conditions and developing a code of conduct for use by the industry when resolving disputes, including during audits.

### Objectives:

This licensing regulator will provide:

- Clarity to the software licensing market
- Highlight absurd, confusing uncompetitive or unrealistic licensing terms
- Stamp out unprofessional selling tactics
- Promote and reward clear licensing terms

### Scope:

- Worldwide
- All software (on premise, service, cloud)

### Guiding Principles:

- Not-for-profit organization, Software publisher independent
- Constructive and Positive – emphasis on building positive vendor relationships

### Key Success Factors:

1. **Teeth** – For the organization to have sufficient power to enforce positive change
2. **Voice** – For the organization to have industry support and recognition

## Key Deliverables & Core Activities

### Deliverables:

- Provide an anonymous ‘whistleblowing’ mechanism for customers to highlight software publisher malpractice
- Openly highlight bad licensing practices and suggest acceptable legal workarounds in the absence of clarity from publishers
- Proactively lobby software publishers to clarify their licensing programs
- Provide a code of conduct for vendor audits, licensing programs, SAM technology and software management
- Recognize and reward clear licensing programs
- Proactively seek the support and endorsement of the Office of Fair Trading ([OFT](#)), Federal Trade Commission ([FTC](#)) and other central government agencies responsible for fair play in competitive markets.
- Proactively support and promote the adoption of measures to increase competitiveness in the software licensing market such as secondary use and cooperative agreements.
- Support the software licensing industry in exploring new platforms and devices.

### Core Activities

- 1. Best Practice**
  - a. Organize, collate and publish industry led best practice for licensing sales, licensing programs and software management
- 2. Identification**
  - a. Actively solicit evidence of licensing malpractice or mis-selling (Anonymously or via industry contributions)
  - b. Clarify evidence via an experienced industry/legal panel and communicate to the industry
- 3. Arbitration**
  - a. Actively seek positive resolution to issues
- 4. Escalation**
  - a. In the instance of failed arbitration, escalate issues to appropriate government bodies and issue trusted legal guidance / workarounds
- 5. Communications & Networking**
  - a. Actively promote knowledge sharing and further development of best practices via open forums, international chapters and networking

## Resources Required

1. Web Based Platform (Communications, Forum, Knowledgebase, Licensing Wiki)
2. Volunteer Steering Board to govern activity
3. Volunteer Licensing Specialists
4. Licensing Librarian(s) to collate knowledgebase / moderate content
5. Communications Manager / Agency to promote the organization and foster industry support

## Revenue / Business Model Options

The organization will require financial support to cover the costs of the resources outlined above. Suggested business models:

1. **Elite:** A few very large end users organizations contribute an annual membership for the benefit of the whole industry
2. **En masse:** Low cost membership from many organizations
3. **Accreditations** (Longer term): regulator accredits licensing schemes, tools, contracts as 'approved' or meeting best practice requirements

## Business Value for Participating Organizations

- Collaboration and knowledge sharing opportunities with licensing and software management strategies
- Reduced contract negotiation costs
- Lower software administration costs
- Increasing buying power, buying leverage
- Reduced legal fees

## Founders

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## Next Steps

1. Get involved and register your interest at [www.clearlicensing.org](http://www.clearlicensing.org)
2. Provide feedback to our Manifesto, publicly or privately via [www.clearlicensing.org](http://www.clearlicensing.org)
3. Spread the word – please share this manifesto with as many people as possible.