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Protection!

Licensing Framework for Java

White Paper

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LICENSING: NOT JUST FOR PIRACY PROTECTION ANYMORE

When Implemented Properly, Licensing can Also Increase Productivity and Revenue

by Alexander Krivov



Piracy, without question, is a problem that affects every software company. As Internet-based delivery increasingly replaces pre-installation as the distribution method of choice for most types of software and software companies, piracy prevention has surfaced as a growing challenge—one that requires a solid solution.

Statistics show that piracy impacts every kinds of software product, from simple shareware applications to extensive enterprise suites. If your software does more than just convert Celsius to Fahrenheit, you can bet that someone will attempt to break it.

According to the Business Software Alliance (BSA), a global non-profit organization representing the software industry and its hardware partners, software theft costs developers more that \$29 billion (USD) a year in lost revenue worldwide. Over \$6 billion is lost each year in the United States alone; in some Asian and European markets, over 70% of all software in use is either pirated or otherwise used illegally.

Contrary to what some would assert, software piracy is not a victimless crime. Like shoplifters in a retail store, those who steal software code are making off with a real and measurable asset—in this case, the seller’s intellectual property. What’s more, although large brand-name vendors present more visible and appealing targets for hackers, small software providers are just as likely to fall victim to this serious crime.

For “lone wolf” developer and major corporation alike, reducing unauthorized use of proprietary applications is a top priority. However, developing a

successful software licensing solution is not an easy task. It takes more than simply assigning your in-house development team to tackle the problem.

A major reason for this is the need to carefully consider the larger implications of your licensing structure. Because they are part of the business process, licensing solutions impact every aspect of a company's operations—sales, customer support, documentation, order entry, CRM, ERP and much more. Having an optimally-designed software licensing component not only minimizes the negative impact on a business, but also potentially increases the firm's overall performance.

Among the positive effects is an improvement in productivity through tight integration with back-office systems. Incorporating a licensing solution with business systems allows for greatly simplified license management and distribution as well as faster order fulfillment, which translates into increased customer satisfaction. Licensing integration can extend to the customer's e-commerce portal for CRM purposes.

Various business strategies call for many licensing alternatives such as evaluation, embedded, demonstration, commercial, upgrade and others. Depending on the situation, back-office integration can enhance these strategies by allowing for deployment of requested evaluation licenses as well as smooth license upgrades for existing customers and/or prospects. Conversely, a lack of integration can result in unnecessary order completion delays, which translates into customer frustration, increasing support costs and finally, a drop in revenues.

Another important aspect is support for a variety of new licensing models. Having multiple options at hand does more than make your marketing department happy. It also increases customer satisfaction by making it easier for users to purchase additional features and functionality as needs change. Perhaps as important, market-directed licensing models reduce unauthorized use of your products by more closely matching real-world deployment situations. The result: less pilfered use and lost revenue.

Today's licensing technology allows for a number of creative licensing alternatives and remedies. Here are descriptions of just a few:

- "Named User" Licensing—allowing licenses to be locked to a specific computer system;
- Floating License—the ability to allow concurrent application use among authorized network users while sharing licenses up to a specified limit;
- Grace-Period Support—for subscription-based software, this option allows publishers to pre-define the number of days past a payment deadline the application will be available before service stops;
- License Upgrade and Activation Support—allows the user license to be activated through user registration. By providing details during the registration/activation process, the publisher can track actual deployment of the application; this is especially valuable for trial applications with bundled evaluation licenses.

The presence of multiple licensing options can also open up additional opportunities by enabling developers and publishers to explore different sales models. Limited-use/limited-functionality demonstration versions, subscription and rental-based choices, transaction-based sales, and online product upgrades are just some of the ideas that are available.

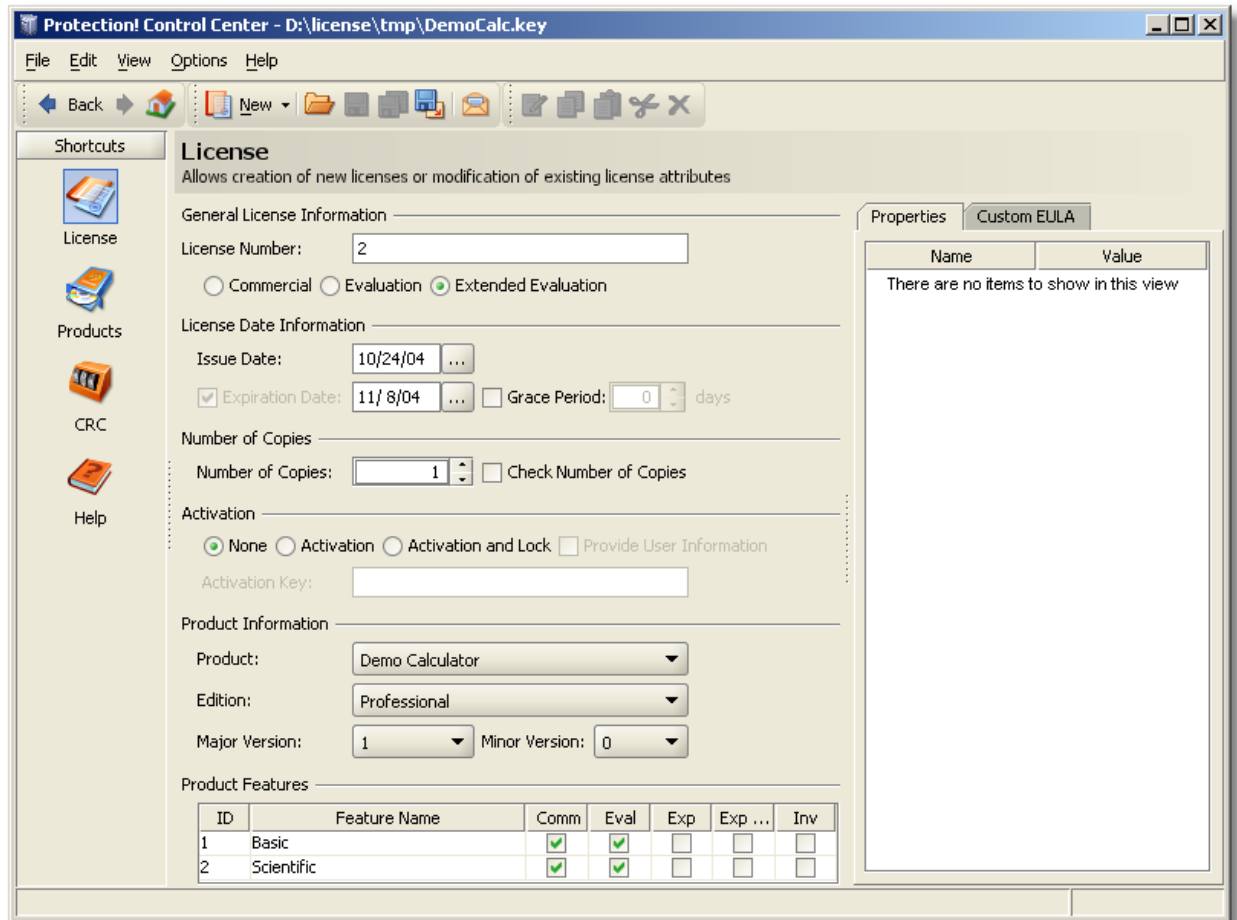
Unfortunately, as any licensing vendor will be quick to point out, there is no silver bullet for problems related to software licensing. Aside from pure hardcore protection issues, there are questions such as "How do I make the registration/activation secure, but also keep it simple for my customers?"

One of the most difficult tasks is to make the process of breaking a license so unappealing or difficult that a hacker would be required to invest considerable time and resources to defeat the licensing protection. No matter what technology a vendor brings to bear on the problem, there is nothing that is 100% secure and unbreakable.

However, if your licensing solution stops the majority of all offenders and at the same time makes the license activation process easy, pleasant, and market-responsive, you'll do more that protect yourself. You'll earn the trust and loyalty of your customer. And that, ultimately, should be the goal of any quality software product.

Protection! Licensing Framework – Makes a difference!

Recently released Professional Edition of Protection! Licensing Framework for Java, delivers powerful and feature-rich licensing solution. Protection! is a licensing framework that can be embedded into custom applications or components to prohibit unlicensed use. Protection! provides a robust feature set enabling developers to securely distribute their applications to the end-users.



Protection! Pro offers a number of advanced licensing protection capabilities, most notably "named-user" license support that ties user licenses to a specific, hardware-based attribute of the user's system.

Protection! Pro builds on the features of Protection!, jProductivity's original licensing framework for custom Java applications. Like Protection!, Protection! Pro is easily embedded into any application or delivery mechanism, from CD-based software to web-delivered products. However, Protection! Pro also adds

new features that allow developers to match the business needs of their customers, protect their own intellectual property, and deploy licenses through Web services and/or RMI (Remote Method Invocation). Key enhancements in Protection! Pro include:

- **Variety of Licensing Models** such as “named-user” licensing that locks the license to a network card MAC address or other, user-definable, attribute, “floating” licensing model allowing multiple concurrent users within the same license, and “grace period” support wherein publishers of subscription-based software can define a specified number of days past a payment deadline before service stops;
- **License Activation Support**, an optional requirement for activating the user license through user registration. By providing details during the registration/activation process, the publisher can track actual deployment of the application—especially valuable for trial applications with bundled evaluation licenses;
- **Web Services Support**, which gives developers the ability to visually specify properties for Protection! Pro Web services applications, including general, plug-in, database options, email and email templates, using the Licensing Façade Configuration dialogue, as well as the ability to create custom archives for Web services applications without the need to understand Web services development;
- **Powerful Back-End Development Support**, offering a default implementation as a foundation for easily building custom back-ends that are exported through RMI or Web services;
- **Plug-ins Support** to allow easy extension of default implementations;
- **Multiple Feature Configurations** that are linked to the specific type of license and state granted to the user. This feature enables the creation of multi-level software products (e.g., Basic, Standard, or Scientific), each with its own rules (e.g., Commercial, Evaluation, Expired Commercial, Expired Evaluation, Invalid License, etc.)

In addition, Protection! Pro offers a Resolver feature that can be used to intercept and fix any issue that occurs during license reading and/or validation, as well as a series of Licensing Wizards to simplify rules for license activation, evaluation, and upgrades both online and offline.

Protection! Pro can be used with any kind of application, through any deployment mechanism, enabling the developer to securely and reliably meet the business requirements of both the buyer and the seller.

Protection! Licensing Framework for Java solves complex licensing challenges. Developers using Protection!, are able to build and distribute their application with the peace of mind that the unauthorized use of their applications is minimized thereby translating to the recovery of potentially lost revenues.

See complete feature matrix:

http://www.jproductivity.com/products/protection/doc/pdf/Protection_Feature_Matrix.pdf

Protection! Licensing Framework home:

<http://www.jproductivity.com/products/protection/protection.htm>

ALEXANDER KRIVOV is CEO of jProductivity (www.jproductivity.com), a leading developer and marketer of productivity tools for software developers. jProductivity offers Protection! - a sophisticated licensing framework for custom Java applications; Productivity! - a set of tools to greatly simplify routine coding tasks within JBuilder; and Components! - a powerful components for JFC/Swing.

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