

Microsoft | Volume Licensing

B r i e f

Microsoft Operating System License Requirements:

Initial Operating System, Transfer of License, and Reassignment of License

January 2007

Open License ■ Select License ■ Enterprise Agreement and Enterprise Agreement Subscription

Discussion

Initial Operating System Requirements: Customers cannot acquire *full* Windows® operating system licenses for desktop PCs through Microsoft® Volume Licensing programs. They can acquire only *upgrade* licenses. Customers must first have licensed and installed a qualified full desktop PC operating system on their device *before* they are eligible to acquire an upgrade license for the Windows desktop PC operating system through Microsoft's Volume Licensing programs. Full Windows operating system licenses for desktop PCs can be acquired only either preinstalled on a new PC by an original equipment manufacturer (OEM) or through retail (also known as full packaged product (FPP)).

	Transfer of a Windows License	Reassignment of a Windows License
FPP Licenses	The FPP license for the Windows desktop PC operating system may be transferred once to a third party. However, the software must be uninstalled and completely removed from the licensed device when the license is transferred without that device.	The FPP license for the Windows desktop PC operating system may be reassigned to another device. However, the software deployed under that license must be uninstalled and completely removed before the license is reassigned to another device.
OEM Licenses	The OEM license for the Windows desktop PC operating system is “tied” to the device on which software is first installed. Accordingly, customers may not transfer the OEM license to a third party without that device. As long as the license and device remain together, there is no limit to the number of times they may be transferred.	The OEM license for the Windows operating system for desktop PCs is “tied” to the device on which it is preinstalled. Accordingly, customers may not reassign it to a different device.
Volume Licensing Upgrade Licenses and Software Assurance	The Volume Licensing Upgrade license for the Windows desktop PC operating system is “tied” to the device on which software is first installed. Accordingly, customers may not transfer the Volume Licensing operating system license without that device. Other restrictions apply to the transfer of Volume Licensing licenses to third parties. Customers should refer to their agreements for details.	The Volume Licensing Windows Upgrade License is “tied” to the device to which it is first assigned. Likewise, except in the permitted reassignment of Software Assurance coverage, upgrades for the Windows desktop PC operating system deployed pursuant to Software Assurance coverage are tied to the device on which the software is first installed. See additional notes below regarding reassignment of Software Assurance coverage.

Transferring Operating System Licenses: This is the transfer of the operating system license to a third party.

Reassigning Operating System Licenses: This is the reassignment of the operating system license and the associated redeployment of the operating system software from one device to another. A significant component upgrade can result in a new device.

Volume Licensing Upgrade Licenses.

The Windows Upgrade License is “tied” to the device to which it is first assigned and may not be reassigned. However, Volume Licensing customers are eligible to reassign Software Assurance *coverage* to an appropriately licensed replacement device. The replacement device must be licensed to run the latest version of the desktop PC operating system available as of the date of the reassignment, and the customer must remove from the original device any desktop PC operating system upgrades that were installed under the transferred Software Assurance coverage. Customers may not otherwise separate Software Assurance coverage from the underlying license for which it is ordered.

FAQs

What if a volume licensing customer purchases new devices that do not have an operating system preinstalled (“naked” PCs)?

Customers’ options for acquiring full licenses for the Windows operating system are OEM and FPP. If a customer purchases naked PCs, the customer needs to license the Windows operating system as FPP. Because of the cost of FPP, customers might prefer to request that their new devices come with a licensed desktop PC operating system preinstalled (e.g., the Windows Vista™ Business operating system, the Windows XP Professional operating system, etc.). Microsoft’s Volume Licensing programs are not a source for full licenses for the Windows operating system. These programs offer only *upgrade* licenses for the Windows desktop PC license. A customer using the Volume Licensing Windows desktop PC operating system media to install a full operating system is not legally licensed for desktop PC operating system software if they acquire a PC that does not have a licensed copy of the software preinstalled or they acquire the Volume Licensing upgrade license without having a licensed copy of a qualifying desktop PC operating system installed on their device.

Scenario: A customer has an older device that came preinstalled with a licensed copy of Windows XP Professional that the customer then upgraded to Windows Vista Business using a Windows Vista Business upgrade license acquired through their Volume Licensing program. If the customer decided to donate this device to a charity, could they remove the newly installed Windows Vista software from that device and transfer the license to a different device within their organization?

No. Under Microsoft’s Volume Licensing programs, operating system licenses are tied to the device to which they are first assigned. If a customer acquires a current Windows desktop PC operating system upgrade license through Microsoft’s Volume Licensing programs and assigns that license to and installs the desktop PC operating system upgrade on a device, the license is then tied to that device. That license may not be reassigned to another device, regardless of whether or not the desktop PC operating system software is removed from the original device.

Microsoft | Volume Licensing

A Volume License customer is replacing an older PC and wants to order a new PC without a desktop PC operating system and install the Windows operating system using their Volume Licensing media. Can they do this? What if they order a Volume Licensing upgrade for that new PC?

No. Volume Licensing media can be used to deploy software only to licensed desktop PCs. A customer cannot acquire an initial or “full” Windows desktop PC license through any Microsoft Volume Licensing program. The Windows desktop PC operating system upgrade license is for *upgrades* only. Customer wanting to deploy the desktop PC operating system must first acquire either a full Windows desktop PC license preinstalled by an OEM or through retail (full packaged product), or a qualifying operating system license and the Volume Licensing upgrade license.

Where are the Volume Licensing upgrade license qualifying desktop PC operating system licenses described?

The [Product List](#) provides the list of qualifying operating systems that qualify a customer to purchase the Windows desktop PC operating system upgrade license in Volume Licensing.