

Autodesk License Upgrades Soon to be Extinct

By Christopher Barnett

One venerable software license model that many companies have utilized in the past has been the license upgrade, under which a licensee could acquire the right to deploy the newest version of a product at a much-reduced price, provided that the licensee also owns a full license for a qualifying, earlier version of the same product. However, with the increasing focus on recurring revenue and hosted software solutions, such licensing models apparently are approaching antiquation in the eyes of many software publishers, with the most recent being Autodesk.

Autodesk recently [announced](#) that, beginning in February 2015, stand-alone upgrades for its products will no longer be available. In order to acquire the newest versions of those products, licensees will need to purchase full licenses and to enroll them (and to keep them enrolled) in Autodesk's license subscription program. Autodesk's rationale for this move is full of characteristically vacuous corporate platitudes:

Why is Autodesk eliminating upgrades?

Autodesk is evolving its business model to achieve a stronger and ongoing relationship with its customers, offering perpetual software licenses with Subscription and Desktop Subscriptions (software rental) as the primary purchasing options.

Starting in 2015, we will stop selling upgrades to simplify the offering and in recognition of the fact that most of our customers are on Subscription.

Purchasing Autodesk Subscription is the most cost effective way to stay current and competitive in today's market. We continue to provide enhanced value and experiences to Subscription customers, such as flexible licensing rights, and access to select additional Autodesk® 360 cloud services, among others.

Shorter version:

Autodesk likes recurring revenue more than it likes giving its customers more flexible licensing options.

What this means for companies using Autodesk products is that, if they are planning to continue using those products into the foreseeable future, and if they also foresee a need to upgrade to the most recent releases more frequently than once every eight years or so, then those companies should seriously consider enrolling their licenses in the subscription program. As an example, a full license for AutoCAD currently costs around \$4,195, with a year's worth of subscription enrollment adding \$545 to the total. Existing licenses that are not currently covered often may be enrolled in the subscription program, though the price for the first year likely will be somewhat higher.

Alternatively, customers may want to consider their options for licensing other CAD software.



About the author Christopher Barnett:

Christopher represents clients in a variety of business, intellectual property and IT-related contexts, with matters involving trademark registration and enforcement, software and licensing disputes and litigation, and mergers, divestments and service transactions. Christopher's practice includes substantial attention to concerns faced by media & technology companies and to disputes involving new media, especially the fast-evolving content on the Internet.

Get in touch: cbarnett@scottandscottllp.com | 800.596.6176