

Unlimited License Agreements for Oracle Products

By Julie Machal-Fulks

Technology departments are continuously looking for ways to reduce costs related to software. Many larger enterprises are considering licensing software products on an enterprise-wide basis. For Oracle products, an unlimited license agreement (“ULA”) approach can be beneficial in terms of license management, but the transition from a ULA back to limited licenses can present problems for some companies.

When a company is considering entering into a ULA, it should carefully review all the terms, particularly the terms related to acquisitions and divestitures. Sometimes, the standard terms would not fit a particular business model and must be revised before the ULA is finalized.

During the term of the ULA, the licensee can typically deploy an unlimited number of the licenses authorized under the ULA. Because the term of the ULA can be up to three years, many companies struggle at the end of the term trying to count the number of licenses that have been deployed during the term. Oracle requires an end-of-term certification, so the ability to count is critical.

Often companies subject to a ULA give themselves insufficient time to conduct the investigation necessary to gather the underlying data for the certification. In this case, they may have to enlist outside assistance to complete the process in a timely manner.

While ULA licensing can offer many benefits, companies should also be aware that there are also several pitfalls that could subject the ULA licensee to increased costs and penalties. Companies should carefully review all requirements before deciding whether a ULA is the right solution for their environments.



About the author Julie Machal-Fulks:

As a partner at Scott & Scott, LLP, Julie Machal-Fulks leads a team of attorneys in representing and defending clients in legal matters relating to information technology. Her practice focuses on complex litigation ranging from privacy and network security, data breach notification and crisis management, intellectual property disputes, service provider negligence claims, and content-based injuries such as copyright and trademark infringement in software, the Internet, and all forms of tangible media.

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