



Software Piracy in the EDA Industry

Piracy of EDA Software

- **For the most part, overt theft is technical in nature**
 - Counterfeit Keys; HostID spoofing; Modified Binaries
- **Theft more often occurs with PC-based products**
 - Tools easier to use, requires less support
 - Lower cost entry point, greater volume of users
- **But with higher cost / complexity products, “piracy” is more likely to be some form of**
“under-licensing”
- **Unintentional**
 - WAN usage; Misinterpretation of the contract
- **Intentional**
 - e.g.: WAN usage of a domestic license

Some causes of “under-licensing”

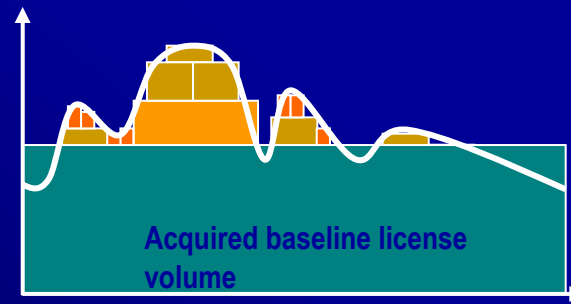
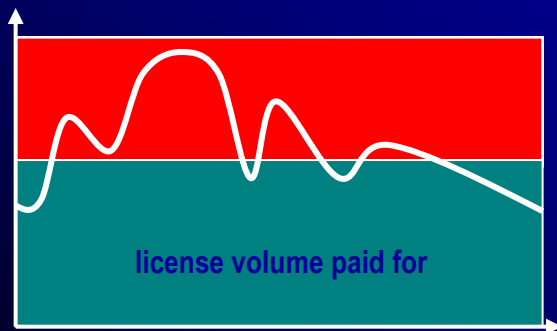
- **Insufficient technology to implement licensing models being used (and/or desired) - e.g. SEAT Model, WAN access, etc.**
- **...Leads to complex contracts & licensing structure of EDA tools**
- **...Making it difficult to properly implement licensing algorithms**
- **...Leads to a high degree of ambiguity over what was actually used (or can legally be used).**
 - **How does customer ensure they're not paying too much for infrequently used software?**
 - **How does supplier ensure they're paid for actual usage?**

License = key = contract?

- Yes, but it's not that simple...
 - With FLEXIm, all that can be easily measured is the Key, but in many cases the Key is not easily related to the License
 - Example:
If I use WORD as the editor inside Outlook, do I need to consume a WORD license (and key), or is it part of the Outlook license?
- In other words, in many situations, there is no mechanism to determine WHY the user accessed a specific key or WHAT part number it belongs to.

License = key = contract?

- Customer wants “flexible bandwidth” to product access for infrequent but critical high-usage license cycles
- Can we change or modify our business models to obtain a clearer view of usage?
 - Utilities Company Approach?
 - » Is there a viable sales model to track usage & bandwidth?
 - » Does Macrovision have this technology?



EDA Consortium Objectives

- **Industry resource to help prevent illegal activities**
 - **Communicate technical and political landscape**
 - **Promote industry wide changes**
 - » **Conduit to Macrovision**
 - **Provide technical “wants and needs”**
 - » **Manage creation of “open” approach to control delivery**
 - **Provide forum for open discussion**
 - » **Explore sales – use – license models**
 - » **Share best practices**
 - **Customer communications and education**
 - » **Define a verifiable audit process**
 - **Education – Enforcement - Legislation**