KAUFMAN | DOLOWICH LLP

Do I Need to Pay Attention to my Business's Software License Agreements?

By Perry F. Sofferman, Partner
Chair of Corporate and Intellectual Property Practice Group

In short, absolutely!! Your business could be held liable for substantial damages in the event you do not adhere to the terms of the software licenses you agreed to when purchasing your software. This is true regardless of whether the software was purchased directly from a software provider or "off the shelf." Your failure to adhere to license or subscription requirements could result in a lawsuit being brought against your business for, among other things, breach of contract and/or copyright infringement. Software providers, both large and small, recognize that the software they sell represents their most important asset and are always prepared to police its use and take legal action if necessary. Whether purchasing Software as a Service, downloadable software, using online applications or legacy software that you might have purchased a while ago when most software was provided on a disk, make sure that those in your organization are using the software as licensed with the proper number of users or seats as specified in the terms you agreed upon.

It is a good idea for you to incorporate a review of your IT related products into a general audit performed quarterly, or perhaps semi-annually, to reconcile the way your organization is actually using the software, on the one hand, and how your organization is authorized to use the software, per the terms agreed upon with the provider, on the other hand. Moreover, include language in your company policies that employees and other users of your organization's resources are expected to use company software only as permissible. In addition, keep a log of all software purchased specifying the date purchased, the price paid, corresponding serial numbers and receipts, as applicable, and any key terms.

Perry F. Sofferman, *Partner*
Chair of Corporate and Intellectual Property
Practice Group

© 2026 Kaufman Dolowich. All Rights Reserved. | www.kaufmandolowich.com