Discount-Licensing

Market Update: Feb 2012

'Usedsoft' Bankrupt & Business Model Exposed

Most of the innovators and me-too competitors that have emerged over the past decade have worked in relative harmony with the software vendors in what has become a fragmented secondary software licence industry; an industry, which now incorporates numerous markets defined by the different software vendors (Microsoft, SAP etc), vendor's products and licence platforms (Volume, OEM, boxed products etc); and each vendor offering different transfer provisions that continuously change.

Then came along a me-too competitor from Germany called 'Usedsoft', who decided to go against the grain with the software vendors and secondary software licence market innovators. In contrast to many of the other key players in the secondary software licensing industry, Usedsoft used a <u>Notary Attestation</u>, partly to hide the fact that it was sourcing 'new' Microsoft Educational volume licences at rock bottom prices, which were then resold to unsuspecting public and private sector businesses [see: <u>Heise Online - Frankfurt Court Prohibits Use of Notary</u>]. Our advise is to not even consider buying from a pre-owned software licensing supplier unless that supplier is prepared to disclose documentation proving legal ownership back to the original customer. The Frankfurt court exposed Usedsoft's business model, which confirmed that it was not entirely operating as a secondary software licence supplier as it marketed itself to be.

However, even with this extremely lucrative business model, Usedsoft GmbH & AG (Germany and Switzerland) have gone out of business and are now facing bankruptcy proceedings [Heise Online – Usedsoft Insolvent].

If you require further information on secondary software licensing, email <u>info@discount-licensing.com</u> or call +44 (0)845 475 5959. A representative will respond to you within 24 hours.

Regards, <u>Discount-Licensing</u>