



# Understanding How Microsoft Downgrade use rights work

## What's up with Microsoft Downgrade rights?

Have you ever wondered exactly how to apply downgrade rights? It is a question I frequently receive here in VMware's Cloud Economics team, now more than ever, due to the dedicated outsourcing software management rules for legacy products deployed on VMware Cloud on AWS (Amazon Web Services). In this blog post, I will walk through the terms, use rights and examples of how Microsoft downgrades are utilized on dedicated cloud deployments.

As you know, Microsoft's licensing architecture can be complicated. On VMware Cloud on AWS, we have a Service Provider License Agreement (SPLA) with Microsoft, which governs how Windows and SQL Server can be used on our cloud. In the past, I have also written about the complexity of Windows 2022 licensing, and the fact that VMware is a Microsoft Data Center Provider. The complexity continues when you look at upgrades, and in today's installment, downgrades.

First let's look at the definitions applicable to downgrade rights.

Microsoft distinguishes between the term "version" and "edition" when referring to product licenses. The term "edition" means different functional offerings within a product family that are usually released simultaneously (for example, Microsoft Office Professional Plus 2016 and Microsoft Office Standard 2016). The term "version" refers to different generations of a product family (for example, Microsoft Office Professional Plus 2016 and Microsoft Office Professional Plus 2013). Downgrade rights between the current generation (N), the prior generation (N-1), and the generation prior to that (N-2) are limited to the same functional editions within each version (for example, Windows 10 Enterprise downgrades to Windows 8/8.1 Enterprise or Windows 7 Enterprise; however, Windows 10 Pro does not downgrade to Windows 8/8.1 Enterprise or Windows 7 Enterprise).

Now where to find the use rights in Microsoft Product Terms of a downgrade right, whether it is a prior version or down edition? The best place to start is the Universal License Terms and a useful tip to understand is that within Microsoft licensing documentation, any words that are capitalized typically are defined terms and have standing for compliance use.

## Where to find the definitions Downgrade rights

Downgrade is a general term that people use to describe rights for other versions and lower editions. We need to be specific when talking about use rights. On the Microsoft Commercial Licensing Terms [website](#) you will find the current Product Terms document which is a living document that changes monthly. This document contains the use rights that governs the use of all software. The order of precedence is the Product Specific terms for a Product supersede the Universal License Terms use rights.

### **Rights to Use Other Versions and Lower Editions**

For any permitted copy or Instance, Customer may create, store, install, run or access in place of the version licensed, a copy or Instance of a prior version, different permitted language version, different available platform version (for example, 32 bit or 64 bit) or a permitted lower edition. The use rights for the licensed version still apply. Licenses for prior versions and lower editions do not satisfy the licensing requirements for a Product.

Both above Universal License Terms apply to all Microsoft Products in Volume License programs. Notice in the prior version use rights it states “in place of “that means you cannot run both the licensed version/edition and the lower version/edition. When invoking downgrade rights or down edition rights, the license terms of the version and edition acquired still govern use of the software.

### **What does a permitted lower edition mean?**

While the Universal Term of Right to Use Other Versions and Lower Editions is a broad use right, the permitted down edition use right is a product specific use right. Let us look at Windows Server as an example:

#### **Windows Server Example:**

The ability to downgrade does not change the licensing under which a customer can use the software; the use rights for purchased software apply. This means that for Windows Server, the current core-based licensing and use rights apply to the version the customer downgrades to.

Below is an example of Windows Server 2022 per core Down Edition product specific use rights in the current Product Terms.

## Use Rights

Identifies the License Terms for each Software Product, including the Universal License Terms, the applicable License Model, and any Product-Specific License Terms. References in Customer's volume licensing agreement to "Use Rights" refer to the terms included in the Use Rights section of each Software Product Entry.

Use Rights	
License Terms	<a href="#">Universal License Terms for all Software</a>
Down Editions	Datacenter to Standard or Essentials, Standard to Essentials (for versions 2008 R2 and prior refer to the Product Terms – September 2018)
External User Access Requirements	CALs or External Connector
Included Technologies	None
Notices	Internet-based Features, H.264/MPEG-4 AVC and/or VC-1, Malware Protection

Notice that Windows Server has both types of downgrade rights- prior version (Under the Universal Terms) and down edition use rights. **Not all Products have both.**

### How do these down grade rights change when used on a Listed Provider Cloud like VMware Cloud on AWS?

They don't, if you still have Bring Your Own License (BYOL) or other mobility rights under the Outsourcing Software Management terms outlined in the Product Terms. It does not mean that you can use the per processor license rights when you have acquired a per core licensed product. You still must assign the Windows Server licenses that you bring to VMware Cloud on AWS by per core. Licensing at the cluster level still applies.

### I thought I had to have Software Assurance to get Downgrade rights?

No, as mentioned above, these are Universal License Terms, and a subset of those in the Product Specific Terms. Software Assurance does not grant any type of prior version or down edition rights.

### Can you give an example of a down edition Product Specific use right, not just a prior version?

In my first paragraph where I initially gave a longer definition/example of Windows 10, that was to highlight the fact that Microsoft Products have a subset of Product Specific use rights for down edition and prior version use rights

Here is an example for Windows 11 where the current Product Specific Terms further narrow the downgrade right to a **Down Edition** right:

Use Rights	
License Terms	<a href="#">Universal License Terms for all Software</a> (see Additional License Terms for Online Services section below)
Down Editions	Enterprise to Pro
External User Access Requirements	None
Included Technologies	None
Notices	H.264/MPEG-4 AVC and/or VC-1 - refer to <a href="#">Notices</a>

If you notice, the term Down Editions is a capitalized term. That means that there is a corresponding definition in the Product Terms glossary. In this case it is stated as:

**Down Editions:** Permitted lower editions corresponding to specified higher editions. Customer may use the permitted lower edition in place of a licensed higher-level edition, as permitted in the Universal License Terms.

#### Why is Down Edition a defined term and not lower edition?

That is because the Down Edition use rights are always going to be a Product Specific Term, and lower edition is a generic term.

#### Office is Different

This is different from Office. Office Volume Licenses have prior version rights but not down edition rights. How can you check whether a product has Down Edition rights? Those will always be listed under the Product Specific Terms for that Product in the Product Terms.

Here is the example of Office in the Product Specific Use rights in the current Product Terms

Use Rights	
License Terms	<a href="#">Universal License Terms for all Software</a>
Down Editions	None
External User Access Requirements	None
Included Technologies	Office Web Apps Server 2013 (Office suites only)
Notices	Bing Maps (Excel and Office Professional Plus); H.264/MPEG-4 and/or VC-1 (Skype for Business), Internet-based Features - refer to <a href="#">Notices</a>

The key message I want to emphasize is that any version of a Microsoft Product in Volume Licenses that is released after Oct 1, 2019, will lose BYOL use rights to a Listed Provider cloud like VMware Cloud on AWS. Many customers believe

they can use a downgrade right to get the specific use rights for a Product released prior to Oct 1, 2019, and we know that won't be compliant under the Microsoft Outsourcing Management rules and downgrade use rights rules.

For example, you will not be compliant if you buy a Windows Server 2022 license and deploy that on VMware Cloud on AWS. It is also not compliant to deploy that Windows Server 2022 license but run Windows Server 2019 instead because the license use rights are tied to the version of the Product you acquire.

### **What can I do if I don't have BYOL, for example - to Windows Server?**

VMware Cloud has a Services Provider License that is a monthly on-demand Windows Server license that can be deployed on VMware Cloud on AWS. Customers can also choose to deploy earlier versions of the same edition or lower editions in place of what they are paying for and licensed for.

### **What can I do if I need a prior version of SQL Server?**

SQL Server 2019 can be deployed on VMware Cloud on AWS and other Listed Provider Clouds that are also Authorized Mobility Partners. In fact, you must use License Mobility through Software Assurance use right when deploying SQL Server 2019 because SQL Server 2019 was released in November of 2019.

You still maintain down edition and prior version use rights when you utilize License Mobility through Software Assurance. The challenge is that you must still deploy under the use rights for the current version. Say you want to use down editions rights for an application that requires SQL Server 2008, but you are licensed for SQL Server 2017. In this example you would still need to abide by the use rights for SQL 2017, which a per core license model. That means you will be using SQL Server 2008 by licensing it the same way as SQL Server 2017. SQL Server 2008 was per processor model, not a per core license model. Many customers believe that they can save money on SQL by reverting to the per processor model of SQL Server instead of the current per core model, and that is not compliant.

You still have the option to buy the SQL Server licenses for your VMware Cloud on AWS deployment or use License Mobility for SQL to VMware Cloud on AWS and utilize use the prior version and down edition rights.

Please feel free to reach out to me with any questions, or any blog posts you would like to see in the future. While I read of lot of license documents, I Am Not a Lawyer. If you have questions about how this applies to you on a legal basis, talk to your lawyer.

npalko@vmware.com

