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Oracle's Java Licensing
Change Can Cost Companies
Millions

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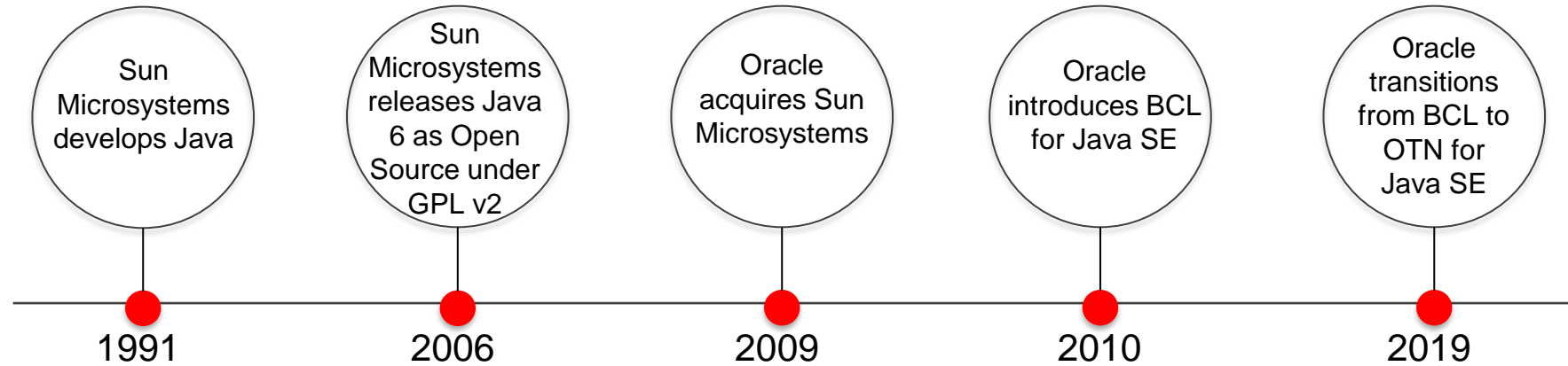
Agenda

- Oracle Java Licensing Changes
 - Up to 2019
 - 2019
 - 2023
- Impact to Oracle Java End Users
- Oracle Java Cost Saving Strategies
- Q&A



Oracle Java Licensing Changes

Up to 2019



- Following the Sun Microsystems acquisition:
 - Java was licensed under the clickthrough Binary Code License Agreement (BCL) up to 4/16/19.
 - Permitted Java usage: “designing, developing, and testing”.
 - Separate Java SE Advanced Desktop, Java SE Advanced, and Java SE Suite license* required for usage of Commercial Features “for any commercial or production purpose”.
 - During this period, common Oracle practice was to not audit its end users’ Java usage or contact them regarding their Java deployments.
 - Oracle Technology Network License Agreement for Oracle Java SE (OTN) replaced BCL.
 - “Development Use” permitted. Commercial or production use requires a subscription license.

* Technology price list as of 10/1/18 referenced. Starting January 2019 perpetual Java licenses were removed from this price list.



Oracle Java Licensing Changes continued

2019

Java SE Subscription

- Used to license servers
- Processor metric
- Oracle's Partitioning Policy* can impact the Processor count due to hard and soft partitioning

Java SE Desktop Subscription

- Used to license endpoints
- Named User Plus metric

➤ Customers had the leverage in negotiations by being able to limit their Java deployments and control subscription costs.

2023

Java SE Universal Subscription

- Used to license both servers and endpoints
 - Employee metric
 - “(i) all of Your full-time, part-time, temporary employees, and (ii) all of the full-time employees, part-time employees and temporary employees of Your agents, contractors, outsourcers, and consultants that support Your internal business operations”.**
 - Number of actual Java users does not matter
- Once Java is licensable, the entire Employee population determines the subscription cost.
- Oracle takes control of negotiations.

* <https://www.oracle.com/assets/partitioning-070609.pdf>

** <https://www.oracle.com/assets/java-se-subscription-pricelist-5028356.pdf>



Impact to Oracle Java End Users

Company	A	B	C
Employee count	400	2000	9500
Processor count	32	512	1024
Named User Plus count	25	550	1500
2019 subscription model total cost*	\$10,350	\$139,380	\$251,040
2023 subscription model total cost*	\$72,000	\$288,000	\$1,197,000
Cost increase	\$61,650	\$148,620	\$945,960
% of increase	596%	107%	377%

*The above hypothetical scenarios assume a 1 year subscription, calculated as follows:

2019 subscription model total cost = Processor count x monthly tier price x 12 months + Named User Plus count x monthly tier price x 12 months

2023 subscription model total cost = Employee count x monthly tier price x 12 months



Oracle Java Cost Saving Strategies

- Determine potential licensing exposure
 - Review Java deployment for licensable Java:
 - Commercial (production) usage
 - Versions from 8.0.211 on
 - Some Oracle products (e.g. WebLogic, E-Business Suite) and 3rd party applications cover Java licensing.
- Alternatives to separately licensing Java
 - Migrate off Oracle Java to an alternate programming language (e.g. JavaScript, Python).
 - Deploy OpenJDK or 3rd party Java based on OpenJDK (e.g. Adoptium, Amazon Corretto).
 - Oracle Cloud Infrastructure (OCI) includes Java.
 - Deploy Java Long-Term-Support (LTS) releases (17, 21) available under No-Fee Terms and Conditions (NFTC) license for 1 year after release of subsequent LTS, after which an LTS is licensed under the OTN.
 - 17: Released in 9/21. As the next LTS (21) will be released in 9/23, 17 will be covered until 9/24 (3 years).
 - 21: NFTC coverage timeframe can be confirmed after Oracle posts the next LTS release date.*
- Non-Standard Request (NSR)
 - Existing Java subscribers may renew under their prior terms and metrics.
 - New subscribers have a chance to license under the prior subscription models through submission and Oracle approval of an NSR with proper justification.

* Java release dates specified at <https://www.oracle.com/java/technologies/java-se-support-roadmap.html>.



Q & A



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