

that prohibits commercial use. And some software — for example, Oracle's Java — prohibits its use by nuclear facilities.

- » **Some software has export restrictions that prevent you from taking it out of the country.**
- » **Nearly all software licenses limit the liability of the software vendor to replacing defective installation discs.** In other words, the software vendor isn't responsible for any damage that might be caused by bugs in the software. In a few cases, these license restrictions have been set aside in court, and companies have been held liable for damage caused by defective software. For the most part, though, you use software at your own risk.

In many cases, software vendors give you a choice of several different types of licenses to choose from. When you purchase software for use on a network, you need to be aware of the differences between these license types so you can decide which type of license to get. Here are the most common types:

- » **Retail:** The software you buy directly from the software vendor, a local store, or an online store. A retail software license usually grants you the right for a single user to install and use the software. Depending on the agreement, the license may allow that user to install the software on two computers — one at work and one at home. The key point is that only one user may use the software. (However, it is usually acceptable to install the software on a computer that's shared by several users. In that case, more than one user can use the software, provided they use it one at a time.)

The main benefit of a retail license is that it stays with the user when the user upgrades his or her computer. In other words, if you get a new computer, you can remove the software from your old computer and install it on your new computer.

- » **Original equipment manufacturer (OEM):** The software that's installed by a computer manufacturer on a new computer. For example, if you purchase a computer from Dell and order Microsoft Office Professional along with the computer, you're getting an OEM license. The most important thing to know about an OEM license is that it applies only to the specific computer for which you purchased the software. You are never allowed to install the software on any computer other than the one for which you purchased the software.

So, if one day, in a fit of rage, you throw your computer out the fifth-floor window of your office and the computer smashes into little pieces in the parking lot below, your OEM version of Office is essentially lost forever. When you buy a replacement computer, you'll have to buy a new OEM license of Office for the new computer. You can't install the old software on the new computer.