

## Third Party Maintenance Services

## Frequently Asked Questions

**Note:** This FAQ document was last updated on May 4, 2015. New answers since the previous posting of this FAQ are shown in red ink, whilst legacy answers are in blue ink.

- Q. Who is authorized to resell Cisco Services?
- **A.** Cisco has an extensive network of thousands of partners through multiple tiers of distribution who are authorized to resell Cisco Services (which, depending upon geography, program and partner certification/specialization, could include co-branded or partner-branded Services).
- Q. How can I tell whether a particular company is an authorized channel partner to Cisco?
- **A.** You can verify a partner's status via Cisco's <u>Partner Locator</u> tool.
- **Q.** What is a Third Party Maintenance Provider?
- **A.** A Third Party Maintenance Provider is any company who (a) is not a Cisco authorized channel partner, or (b) is a Cisco authorized channel partner but is offering you a third party brand of service outside of any of Cisco's authorized channel Service programs.
- Q. Why are Cisco's Services so much more expensive than Third Party Maintenance Provider services?
- A. Cisco's flagship SMARTnet Services are award-winning and lead the industry. We price our Services competitively and believe the prices reflect the value Cisco's Services deliver. Further, no Third Party Maintenance Provider can provide you with an "apples-to-apples" match with what Cisco's SMARTnet provides. We believe that the price differential reflects the value differential.
- Q. Can a Third Party Maintenance Provider fulfill my sparing needs?
- A. Much of the Cisco hardware that would be subject to sparing contains Cisco software on it. The license is subject to the terms of Cisco's <u>End User License Agreement</u>. Cisco's <u>End User License Agreement makes</u> clear that the license is only valid if the equipment has been purchased from either Cisco or a Cisco-authorized channel partner, unless it falls into any of the exceptions contained in the Cisco <u>Software Transfer and Re-licensing Policy</u>. This guarantees quality and ensures that all spare parts are original. Therefore, any spares you would obtain from a Third Party Maintenance Provider may not only lack a valid software license but more importantly, such spares could be non-genuine, counterfeit and/or improperly constructed or maintained such that Cisco cannot state with any confidence that these spares would perform their intended purpose.
- Q. Can a Third Party Maintenance Provider provide me with Cisco bug fixes, patches and updates?
- **A.** No, a Third Party Maintenance Provider is not authorized to provide you with Cisco bug fixes, patches and updates.

- **Q.** I heard that Cisco lost a lawsuit to a company named Multiven and now Multiven can provide customers with Cisco bug fixes, patches and updates....is this true?
- A. No. This is entirely false. Cisco did not lose any lawsuit to Multiven. Cisco and Multiven were parties to certain litigation where each party made certain claims against the other. Both parties settled without any exchange of money. Multiven is not a Cisco-authorized channel partner and does not have lawful access to provide customers with Cisco bug fixes, patches and updates.
- Q. I heard that Multiven's CEO stole Cisco software.....is this true?
- **A.** Multiven's CEO is presently a federal fugitive and remains under indictment by a United States federal grand jury for theft of Cisco software in violation of the federal anti-hacking statutes.
- **Q.** If I buy Cisco equipment from a company who is NOT a Cisco-authorized channel partner, do I have a valid software license?
- A. No, unless it falls into any of the exceptions contained in <u>Cisco's Software Transfer and Re-licensing Policy</u> (in particular, see below as to the position in the EEA and Switzerland). Third party companies reselling Cisco equipment without being a Cisco-authorized channel partner are referred to as the "unauthorized channel". There are many risks involved in purchasing from unauthorized channels. These companies are not authorized or vetted by Cisco in any way. They may sell equipment that purports to be "Cisco Product" but is in fact non-genuine or counterfeit. They do not have the right to convey, relicense or sublicense any Cisco software to you. Therefore, you may not have a valid software license.
- **Q.** Within the European Economic Area (including Switzerland), Cisco's Software Transfer and Re-licensing Policy states that no consent from Cisco or fee is applicable to transfers of Cisco software that is bundled with hardware. Does this allow me to buy second hand Cisco products?
- A. As regards Cisco products that have been placed on the market within the EEA and Switzerland by Cisco (or with its consent, for example by one of its channel partners that are authorized to sell Cisco products in the EEA or Switzerland) you may purchase second hand products provided that you have complied with the terms of Cisco's Software Transfer and Re-licensing Policy.

So, for example, an EEA-based (including Switzerland) customer can lawfully buy a Cisco product from another Cisco customer if the latter has purchased this product from a Cisco Partner based in the EEA (or Switzerland). This is also the case if the customer buys a Cisco product from a third party, so long as that product was originally sold to a customer by Cisco or a Cisco Partner within the EEA or Switzerland. Cisco's Software Transfer and Re-licensing Policy sets out what the transferor and transferee should do to properly effect a transfer in accordance with the policy.

This rule does not apply if the product was sold in violation of Cisco IP rights, for example if the product was originally placed on the market outside the EEA or Switzerland. The rule also does not apply if the product was modified in violation of Cisco's <a href="End User License Agreement">End User License Agreement</a>. Examples of prohibited modifications include modification or decryption of the software, or use of the software with a hardware device other than the hardware device with which the software was originally provided by Cisco.

- **Q.** If I buy Cisco equipment from a company who is NOT a Cisco-authorized channel partner, is the equipment eligible for maintenance support from Cisco?
- A. It depends. Third party companies reselling Cisco equipment without being a Cisco-authorized channel partner are referred to as the "unauthorized channel". There are many risks involved in purchasing from unauthorized channels. These companies are not authorized or vetted by Cisco in any way. They may sell equipment that purports to be "Cisco Product" but is in fact non-genuine or counterfeit. In order to obtain maintenance support from Cisco, the customer must obtain (for a fee) an inspection from Cisco or a Cisco-authorized inspector to verify that the equipment is genuine and not damaged. Further, you may have to purchase a valid software license from Cisco or a Cisco-authorized channel partner prior to eligibility for Services, and may be subject to a Service reinstatement fee.
- **Q.** Does Cisco provide any bug fixes, patches or updates for free to its customers?
- A. Yes. There are several ways in which Cisco may provide bug fixes, patches or updates to a customer without charge. For example, Cisco maintains a Security Vulnerability Policy whereby Cisco routinely makes available to its customers (without charge) patches for certain identified security vulnerabilities. In addition, certain Cisco products come with enhanced or extended warranties that provide access to certain bug fixes, patches and updates. Customers who do not have a support contract and wish to obtain bug fixes, patches, or updates are asked to provide the serial numbers for impacted equipment and the link to the specific security advisory notice from Cisco.com. Customers must have a software license for the impacted equipment, per the Cisco End User License Agreement, or must purchase a valid software license from Cisco or a Cisco-authorized channel partner prior to accessing and installation of the patch or updated software.
- **Q.** I'm a nationwide (US) company and have been approached by a third party hardware reseller who is not a Cisco-authorized channel partner. This third party informs me that Cisco's licensing policy in the US is illegal because it violates the "first sale doctrine". Is this true?
- A. No, this is incorrect. The United States Court of Appeals for the 9th Circuit recently upheld the right of intellectual property owners such as Cisco to place reasonable restrictions on the licensing (and transferability) of their software, even where embedded in hardware, in the landmark case of Autodesk v. Vernor. In Vernor, the Court ruled that when a company sells its software with a license agreement (as Autodesk did and as Cisco does), then the original user of the software is a licensee and not an owner. This means that the original user cannot transfer/sell the software without the permission of the owner of the intellectual property being licensed (i.e., AutoDesk or Cisco). In sum, the entity that is trying to sell you the hardware does not own the software on the product and therefore has no rights to sell it to you. This means that if you purchased the product from that seller, your company would not have a license to use the software and would be in violation of Cisco's intellectual property rights. Cisco's licensing policy is in 100% alignment with this legal precedent.
- Q. I am the lawful owner of a genuine Cisco Product. Do I have to purchase SMARTnet in order to get new versions of software containing fixes as well as updates and upgrades?
  No. There are a variety of ways a customer may obtain new versions of software containing fixes as well as updates and upgrades for a genuine Cisco Product lawfully owned by such customer. As noted elsewhere in this FAQ, Cisco may provide new versions of software containing fixes and updates (but not upgrades) to customers without charge in certain instances. Another option is for the customer to purchase an applicable Services contract (such as SMARTnet) from Cisco or an authorized channel partner that would include entitlement to the new versions of software containing fixes as well as updates and upgrades for the full period of subscription. A customer may also purchase, irrespective of an existing service contract, from Cisco or an authorized channel partner a single software image for the operating system software that is listed on Cisco's

published Global Price List. As per the terms of Cisco's End User License Agreement, any such purchase of subscription Services and/or a single software image will apply only to the single device (by serial number) for which such subscription or image has been purchased. The purchase of software images is available to all customers regardless of whether or not such customer has purchased a Services contract from Cisco or a Cisco authorized channel partner.



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