

[Serverless](#), [Thought leadership](#)

Why Microsoft offers uncapped indemnification for open source in Azure

By [Microsoft Azure](#)Posted on November 8, 2017
2 min read*This post was authored by Jim Ross, Assistant General Counsel, Intellectual Property Group, Patent Conflicts and Indemnities Team*

One of the most frequent questions our customers ask us is how they can protect themselves from the risk of litigation, especially when it comes to their innovations in the cloud.

I understand why this stands out as a growing concern for our customers. I'm responsible for managing these kinds of "patent conflicts" for our customers. Over the past three years, we've received a growing number of cloud patent assertions directed at both Microsoft and Azure customers, with an average of 100 new patent conflicts annually.

For Microsoft and our customers, we're seeing increased aggression from non-practicing entities (NPEs), commonly referred to as "patent trolls," looking to capitalize on vulnerabilities in the cloud. These companies hold patents but have no intentions of developing them or creating a product. Take one recent example – we've had extensive dealings over the last year and a half with a litigious NPE that had sued multiple high-tech companies and asserted that it had approximately 1,000 patents and patent applications in the U.S. and worldwide. That NPE had also approached Microsoft in late 2015 and asserted that our use of open source software in Azure infringed its patents. A year later, two of our customers were also contacted by the same NPE for patent infringement as an extension of Azure services. We engaged with the NPE to assess its allegations and resolved the matter in a way that protected our customers.

Unfortunately, these kinds of episodes look to become more and more commonplace. While 2016 and 2017 have seen declines in overall patent litigation, one sector is experiencing an uptick in IP litigation – and that's in the cloud. NPEs are stockpiling cloud technology patents. [IPlytics](#) reports that NPEs are acquiring cloud patents at an increased rate of 130 percent since 2011. These increases in cloud-based IP lawsuits and NPEs acquiring cloud patents threaten to block the innovation of software developers coding for the cloud and to business and enterprises that are already on the cloud or moving to the cloud.

Seeing this trend, our customers want to know what they can do to better protect themselves, especially when it comes to innovations in the Azure ecosystem. The good news is that by working with our customers through our existing indemnification demonstrated to us that we needed to do more to provide customers with IP risk mitigation strategies in the cloud.

Explore

Let us know what you think of Azure and what you would like to see in the future.

[Provide feedback](#)

Build your cloud computing and Azure skills with free courses by Microsoft Learn.

[Explore Azure learning](#)

Those conversations became the key reasons why Microsoft developed Microsoft Azure IP Advantage. Microsoft has offered indemnification protection to our customers for years, and now, we've responded to the concerns of Azure customers and are extending our traditional IP indemnification to protect customers using open source technologies that power many Azure products and services today. Through the work of the Microsoft legal team, we have over two decades of experience dealing with patent infringement lawsuits and allegations and a strong history of helping our customers face infringement risks.

To learn more, hear about Microsoft Azure IP Advantage from some of our early preview customers and see how Azure IP Advantage works, see our [animated video](#). If you're an Azure customer, you can learn on the [Azure IP Advantage webpage](#).

Related posts

[Partners](#), [Serverless](#)

Microsoft commercial marketplace: Spend smarter, move faster >

[Partners](#), [Serverless](#)

Microsoft and Rockwell Automation collaborate on digital solutions for manufacturers >

[Serverless](#), [Thought leadership](#)

Tune in today: Learn Live experts are ready to accelerate your skilling >

[Partners](#), [Serverless](#)

Azure Native NGINXaaS makes traffic management secure and simple—now generally available >

 Get the Azure mobile app    

Explore Azure
Explore Azure

What is Azure?

Get started

Global infrastructure

Datacenter regions

Trust your cloud

Customer enablement

Customer stories

Products and pricing
Products and pricing

Products

Pricing

Free Azure services

Flexible purchase options

Cloud economics

Optimize your costs

Solutions and support
Solutions and support

Solutions

Resources for accelerating growth

Solution architectures

Support

Azure demo and live Q&A

Partners
Partners

Azure Marketplace

Find a partner

Technology partners

Resources
Resources

Training and certifications

Documentation

Blog

Developer resources

Students

Events and webinars

Analyst reports, white papers, and e-books

Videos

Cloud computing
Cloud computing

What is cloud computing?

What is cloud migration?

What is a hybrid cloud?

What is AI?

What is IaaS?

What is SaaS?

What is PaaS?

What is DevOps?

Change language

English (US) ▼

 Your Privacy Choices

[Diversity and Inclusion](#) [Accessibility](#) [Privacy & Cookies](#) [Data Protection Notice](#) [Trademarks](#) [Terms of use](#) [Privacy Data Management](#) [Contact us](#) [Feedback](#) [Sitemap](#)

© Microsoft 2023