Oracle Java SE Pricing Changes

Frequently Asked Questions

As of 24 January 2023, Oracle has changed the way that it charges customers for using Oracle Java SE: they no longer sell it in the Processor and Named User Plus metrics. Instead, it is ONLY available on the basis of Employees – i.e. all your employees plus those of your outsourcers providing support to your business. Prices range from $5.25 to $15 per Employee per month depending on the size of your organisation.

This FAQ will highlight some of the most commonly asked questions we have received from customers and our response. If you have any further questions on these recent Oracle Java changes or any Oracle license related questions, please do not hesitate to contact us in confidence.

Can you summarise the recent change?

Oracle now only sell Oracle Java SE based on your employees; this is known as the **Java SE Universal Subscription**. This replaces the legacy metrics and now customers pay for Oracle Java SE based on the number of Employees: this applies *regardless* of your actual volume of usage (a single PC with a single installation of Java will require your employee population to have a subscription).

The old metrics were well-known in the industry, these being Processor and Named User Plus. So, assuming you could measure these, you could previously buy as many subscriptions as you needed for newer updates of Java. This concept has now been replaced with the **Employee** metric.

This change was launched on 24 January 2023; the prices published are high and will have a significant impact on almost all businesses. For example, a business with 500 employees will have an annual cost of $90k regardless of usage volume. A business with 25k employees will pay $2M per year.

If you have any form of existing license or subscription for Oracle Java, you are encouraged to renew on the same terms for as long as possible; it is very likely to be cheaper than the Employee metric. You will need to consider how best to approach any such renewal in order to maximise your chances of being allowed to renew on the Processor/Named User Plus metric.

Here at Version 1, our independent Oracle license experts are talking to many businesses globally about their options and their strategies for adjusting to this new metric: we are happy to share this accumulated knowledge and help you understand the variables involved in making a decision appropriate for your situation. Contact us here

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Why have Oracle done this?

This metric makes it very easy for Oracle to determine the cost of the Java subscription for an organisation without gaining insight to the estate or scale of deployment. We observed many situations where Oracle sales were not satisfied with the requested number of legacy subscriptions and challenged customers to prove their requirements. Oracle can now simply look at annual reports for a company and know the required subscription cost.

In Oracle's own words "[this is for] *greatly simplifying tracking and management of your licensed environment*" – whilst it was true that counting could be tricky and required a slightly different approach to other Oracle product measurement, in the vast majority of estates, it was possible to measure Processor and Named User Plus. For environments where this was not possible or usage was very large, a Java Unlimited Subscription model could have been appropriate.

The 'quirk' of this is that Oracle Java SE 17 (and later) is still available at **no charge for a period of 3 years** from the date of release. So, by and large, the subscriptions are required for Java 8u211 and Java 11.

Bear in mind that you still need to have some understanding as to the scale of your deployment; there is a cap of **50,000 Processors** (100,000 Intel cores) for which standard pricing does **not** apply.

What should I do?

1. Read this FAQ thoroughly; make sure you know what the impact of this change is for your estate.
2. Watch this short YouTube video for further information on this topic.
3. Contact Version 1 here for further advice and to discuss your particular situation to work out the best approach based on your circumstances.

How much are Oracle charging for the new metric?

A 'tiered' pricing model is in place according to the Employee population.

Employees	$ Per Employee
1-999	15
1,000-2,999	12
3,000-9,999	10.5
10,000-19,999	8.25
20,000-29,999	6.75
30,000-39,999	5.7
40,000-49,999	5.25
50,000	Contact Oracle

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What discounts can we expect off these prices?

Very low or no discounts – certainly nothing like the 60%-85% often seen in large purchases; Oracle's tiered pricing 'builds in' their view of the appropriate discount based on volume.

Should we continue to migrate away from Oracle Java or consolidate our estate?

Lots of enterprises undertook (and continue to run) significant projects to reduce their Oracle Java footprint after the changes introduced in 2019 – unfortunately such efforts may have been in vain from a subscription cost point of view (although still a good move for technical currency and vulnerability management). Unless you can be confident of removing ALL Oracle Java which needs a subscription, you may want to pause such projects now and consider the impact of these changes.

What does 'Employee' really mean?

Oracle define it as follows:

"Employee…is defined as (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." from the price list, here.

So,   i) is clear: this is anyone who works directly for your organisation.
           ii) is less clear; we wouldn't be surprised if this is clarified at a later date. It can be read in two ways (the latter being the reasonable and expected intended meaning):

Bracketed Definition	Summary Interpretation	Impact	Ease of counting
(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).	All employees of (the outsourcers who support your business).	Significant cost. Your outsourcer may have thousands of employees and may make acquisitions regularly which directly impact on your subscriptions.	Easy, based on annual reports (onus on you as the licensee).
(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).	Outsourcer's employees (not users) who support your business. **We think this is the intended reasonable definition.**	Reduced cost. You pay for employee licenses for employees of outsourcers who are involved in supporting your business (but who possibly are not using Java).	Maybe harder to track (onus on you as the licensee). Consider that users are not required to counted, here.

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Note that Oracle are clear to differentiate the **Employee** metric from an **Employee User-type** of metric: *"The quantity of the licenses required is determined by the number of Employees and not just the actual number of employees that use the Programs"*

How do I measure the Employee count of my outsourcers etc?

This could be a significant challenge; see previous question and ensure you are familiar with the definition – and then liaise with your outsourcers to obtain AND track this information over time. If ever requested by Oracle in an audit, this will be a declarative number.

What do I need to do? I have no subscriptions or license.

You need to establish whether you need to have subscriptions or not. This evaluation is unchanged from the legacy subscriptions; however, it is still not a trivial process. It is NOT as simple as looking at the version/update of Java in use.

The table below summarises your considerations. For any 'N' value, it is imperative that you read and understand the rights of each agreement. Contacting Version 1 here should be very high up your list of things to do.

Java Release	Dev/Test?	Subscription required?
Commercial features	➡	Y
Any use of commercial Java under a licensed Oracle product (e.g. Forms and Reports)	➡	N
Java 7 update 85 onwards	➡	Y
Java 8 up to update 201. Earlier releases of Java	➡	N (read BCL agreement)
Java 8 between update 211 and Java 8 latest update	Y	N (read OTN agreement)
Java 8 between update 211 and Java 8 latest update	N	Y
Java 10,12,13,14,15,16 (these are innovation releases and not meant for production/long-term usage)	(assumed development)	N (read OTN agreement)
Java 11; any update	Y	N (read OTN agreement)
Java 11; any update	N	Y
Java 17.0.1 to 17.0.12	➡	N (read NTFC agreement)
Java 17.0.12 to Java 17.0.32+	➡	Y

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What do I need to do? I have existing 'legacy' (Processor/Named User Plus) subscriptions or license

Oracle have currently said they will honour renewals of existing agreements – though Oracle will cite 'approvals' being required to renew such an agreement. This could mean approvals are not given in the event of a disagreement about the quantity required e.g. if you have low quantities of legacy subscriptions and Oracle believe the figures should be higher, or if you have a requirement to change the quantity significantly (either up or down). We are monitoring the 'success' rate of renewals as time progresses and will collate information about successful and unsuccessful renewals.

I only have 'old' Oracle Java – so this doesn't affect me, does it?

See the previous two questions … it is possible that if you are using commercial features or a non-public release of Java 7 that you may still need a subscription. Read the BCL agreement thoroughly as well.

Can't I just keep running old versions of Java and avoid subscriptions?

Possibly, with care – remember that any commercial feature usage or a single deployment of the newer updates may put you at risk: Oracle do track downloads of Java and so will know if anyone from your organisation has a later version of Java which may attract a subscription fee.

What is Java SE, does it include the JRE or JDK?

Java SE includes the JDK, JRE (also contained in the JDK), JavafX Runtime and JRockit JDK.

Does this cover JRE and JDK?

Yes, anything under the 'Java SE' banner. JRE is a subset of the JDK and both can require a subscription.

What is Commercial Feature Usage?

A full list is here:

- Java Flight Recorder
- Java Mission Control
- Java Advanced Management Console
- MSI Enterprise JRE Installer
- JRockit Flight Recorder
- JRockit Mission Control Console observability
- JRockit Mission Control Memory Leak Detector observability
- JRE Usage Tracking

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So I don't have to measure my estate any more?

You *probably* do … for a number of reasons;

1. To see if any 'subscription-able' versions (licensed via the Oracle OTN License agreement) exist in the environment which may not be covered by that agreement. Though this may be self-evident in your estate.
2. To ensure you are under the 50k (server) Processor limit. Again, this may be obvious but consider Oracle's VMware policy here.
3. To see if you have any commercial feature usage.

Is there any way I don't need a subscription?

Eradicating all Oracle Java from the estate and keeping it like that! More sensibly:

*   Only using Java that is covered by the Binary Code License, OTN License Agreement or No-Fee Terms and Conditions.
*   Using only Java which is covered by other Oracle products (e.g. Forms and Reports).
*   Using an alternative fork of Java (e.g. OpenJDK); bear in mind you will still need a support contract of some form to receive updates unless you compile your own from source code.

I use Oracle Java only to support Oracle products, e.g. E-Business Suite, SQL Developer; what does this mean?

Where an Oracle product has a pre-requisite of Java to 'underpin' its functionality, and on the assumption it is licensed correctly, Oracle allow usage of later versions of Java without additional license or subscription. So, if you only have Java on your estate in order to access Oracle E-Business Suite, you do not need to pay for a subscription.

Oracle are clear that if you use that same installation of Java for other (non-Oracle) applications, you need a subscription in place.

Oracle publish some good references for this topic, see here and here ('My Oracle Support' account required for this).

What is the difference between a license and a subscription?

A perpetual license and annual support (classically associated with Oracle licensing) allows the right to use the product perpetually, with or without support. There are limitations to this, e.g. if you cease support but can retain the perpetual right (and are not subject to matching support level rules), you can always use the product within the license terms originally agreed.

A subscription bundles license and support into a single recurring fee. This does not grant perpetual rights and when the subscription lapses, all rights to the software are stopped and the software removed. A subscription will therefore have a finite period and the requirement to renew the agreement at the end unless usage has stopped and the software/access removed.

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My vendor provides Oracle Java licensing for me as part of my application. Java is embedded so I don't need a subscription?

We hear this assertion a lot; in reality, there are very few vendors who are able to pass Java SE rights on to their licensee. You should **not** assume such rights exist and you should scrutinise your agreement with your vendor for any product asserting that Java SE license is granted as part of the software package.

I have a quote for renewing my 'legacy' metrics; will Oracle let me renew these?

Oracle have stated they will; however, this will require approval internally; if there is an expectation from Oracle that you should have higher quantities of subscription, they may not renew on that basis.

I have a new quote with Oracle for 'legacy' metrics; can I buy these?

We have heard that any quoted prices on the old metrics will still be sold until the **end of February 2023** but only on Oracle's approval.

Can I not demand a renewal of my old subscription terms?

No, unless you agreed some sort of contractual terms to enable this, the right to renewal is discretionary by Oracle.

What if Oracle refuse to sell me a renewal based on the old metrics?

You may still be able to negotiate a renewal; though Oracle may prefer you to adopt the new metric, there are tactics which may help a renewal of your old terms and conditions.

What happens if my subscription (on any metric) lapses?

This is where Oracle are clear: no subscription, no installations (which need a subscription) are allowed: this is notably different from a perpetual license right where you may retain the software but no upgrade/access support for it: you **MUST** remove all such installations.

What happens at the end of the subscription or if we don't reach an agreement to renew with Oracle?

This is a potential problem for organisations; again, this increases Oracle's power – if you cannot agree a renewal, by the terms of the subscription you must remove the software when the renewal lapses.

How do I negotiate with Oracle?

This depends on your situation, your existing subscriptions and the time of year. It is fair to say that this new metric reduces negotiation power for the licensee; tiered pricing and published employee numbers mean that Oracle will have a strong position on expectations.

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Should we expect a call from Oracle?

Yes—all enterprises should be expecting to hear from Oracle and, if you have no subscriptions or legacy licenses for Java SE, expect Oracle to be quoting significant costs based on their observations of your annual reports (employee counts) and of your downloads of Java.

How likely are Oracle to audit me?

We expect that if you have no subscriptions or Java SE licenses in place already, that Oracle will be contacting organisations like yours first. Expect them to have details of who and how many downloads of Java which potentially needs a subscription in place – you will need to be prepared how to respond to any challenge by Oracle.

It is fair to say that organisations should be **ready for an audit of Java** and potentially non-Java Oracle products.

What will an Oracle Java SE Audit 'look like'?

It is hard to say at this time but expect Oracle to have a defined process which is set out as the only way to participate in the audit. You should make yourself familiar with the terms, conditions and obligations applicable to your deployments and versions – it is really important to note that different releases have different audit rights (see next question).

We do not expect Oracle will deploy 'network scanning' tools or similar and will rely on declarations by customers.

Bear in mind that unlike audits of perpetual licenses, it may be beneficial to expedite rather than delay any initiated audit: Oracle terms are clear that if you have no subscription in place where it is needed that you must deinstall all installations of the software: 'running down the clock' will not be a helpful tactic.

Can Oracle Audit Java Usage; do they have the right?

It depends and varies according to your existing agreements; below is a simple summary of the obligations and links to relevant agreements. It is critical to note that Oracle do not have 'sweeping' rights to audit any and all Java in your environment; there are limits you should be aware of. Table on next page.

Do not permit an all-encompassing audit of your Java estate: set and understand the scope.

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Agreement	Unabbreviated Name	Link	Audit Rights	Applies to
BCL	Binary Code License Agreement	https://www.oracle.com/uk/downloads/licenses/binary-code-license.html	None; termination if terms not complied with (hard to prove without audit clause)	Java 4 (2003) to Java 8u201 inclusive
OTN License Agreement	Oracle Technology Network License Agreement	https://www.oracle.com/downloads/licenses/javase-license1.html	*Audit; Termination Oracle may audit an Entity's use of the Programs.* **Note**, no obligations are laid out about 'reasonable assistance' nor timeframes.	Java 8u211 to Java 16 inclusive (like to apply to Java 17.32 when released)
NTFC	No-Fee Terms and Conditions	https://www.oracle.com/downloads/licenses/no-fee-license.html	No audit or termination rights.	Java 17.1 to 17.12
Subscription or license	N/A		Standard '45 days notice' with 'reasonable assistance' but shall not interfere you're your normal business operations	Not version specific; whichever deployments are not licensed by BCL/OTN/NTFC
No agreement!	N/A	N/A	No rights!	Check which agreement was used to obtain software

Can Oracle see what Java we've been using? What information do they have?

Oracle can track people (and therefore organisations) who have **read and accepted license terms** and downloaded a piece of software—and so if this is originates from your enterprise, Oracle will know that you have a potential requirement for a subscription.

There are some 'scare stories' about Oracle Java installations 'dialling home' with detailed information about your estate and usage of Oracle Java SE – we have no reason to believe this to be true and can see no such network traffic corresponding to this type of data. See this for more information.

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What is everyone doing about this? How are other organisations managing this?

We have spoken to a huge number of customers about this already and have gained a lot of insight and advised on many different possible approaches – contact us to discuss your situation and we can share our insights!

Can I migrate away from Oracle Java SE to another vendor – is this possible, and how to do so? What are the alternatives to Oracle Java SE?

This is a topic which deserves a much bigger article. There are a number of providers of alternative Java distributions available, however the critical element is what distribution your applications support – do they need a particular variant? Note that Java 11 across distributions is a lot more 'code compatible' and so switching JDK/JRE for any Java 11 should be significantly easier than for Java 8 and earlier versions.

Version 1 has Java experts who can provide advice on feasibility of migrations. We have also worked with customers who have committed to migrate very large estates to alternative JDK offerings.

What is the timeline for Oracle Java SE – what is the roadmap of release(s)?

An overview is shown on the diagram below. Long Term Support versions are released every 3 years, with development/feature releases every 6 months (omitted from the diagram below).
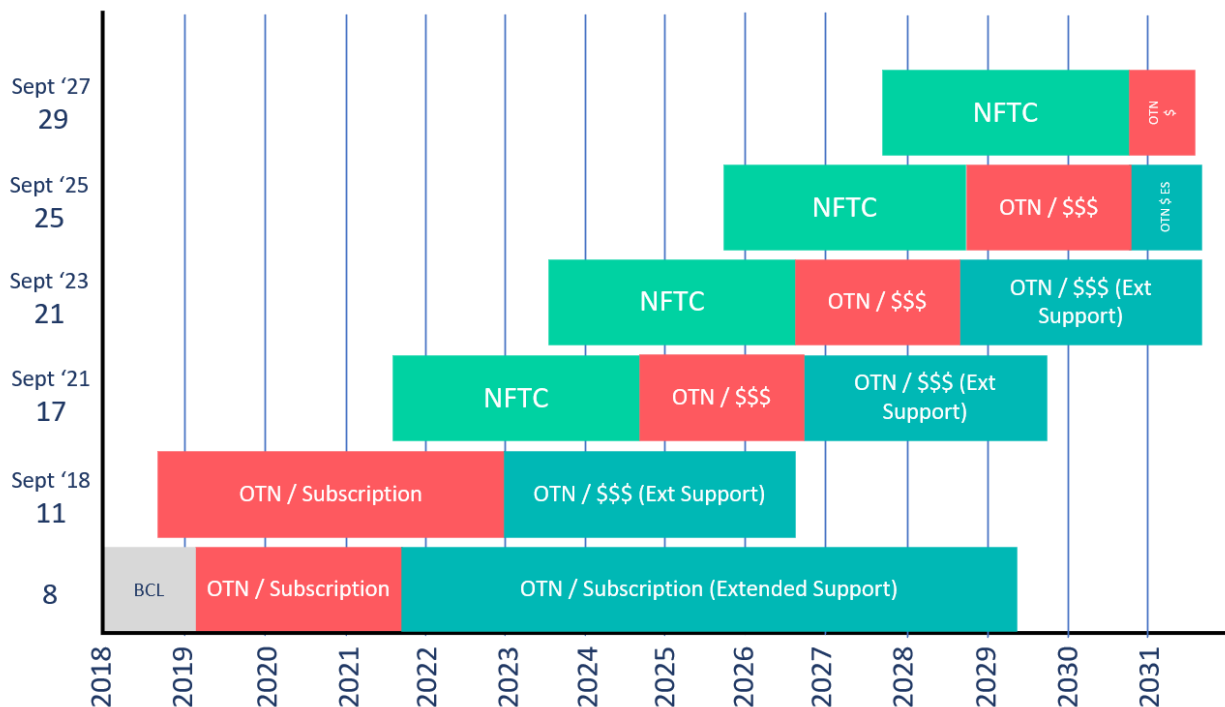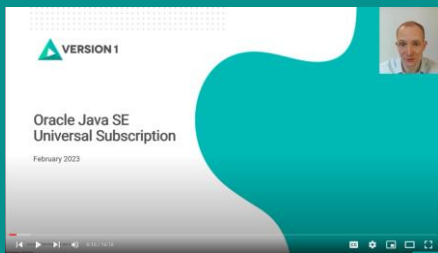
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Further Resources

As experts in **Oracle Licensing and Software Asset Management**, we have created further resources on this topic at the links below.

Version 1 Resources

Oracle Java SE Webinar

Oracle Java SE Blog

Oracle Java SE Website

Oracle Resources

Oracle Java SE Universal FAQ https://www.oracle.com/java/technologies/java-se-subscription-faq.html
Oracle Java SE Licensing FAQ https://www.oracle.com/uk/java/technologies/javase/jdk-faqs.html

Oracle Java license agreements

BCL https://www.oracle.com/uk/downloads/licenses/binary-code-license.html
OTN https://www.oracle.com/downloads/licenses/javase-license1.html
NTFC https://www.oracle.com/downloads/licenses/no-fee-license.html

Other Oracle Resources

Oracle Java usage as part of another Oracle product here and here
Oracle Java usage data details here

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