



Evolving piracy vectors

When legitimate resale, mislicensing and digital abuse converge

Sanja Timotijevic, WDS WW Genuine Lead
(stimotijevic@microsoft.com)

Seattle, August 19th, 2026

WW GTM



The World has Changed

OLD WORLD

The market looked binary

Clearly counterfeit

Unauthorized copy or product with no credible claim to lawful origin.

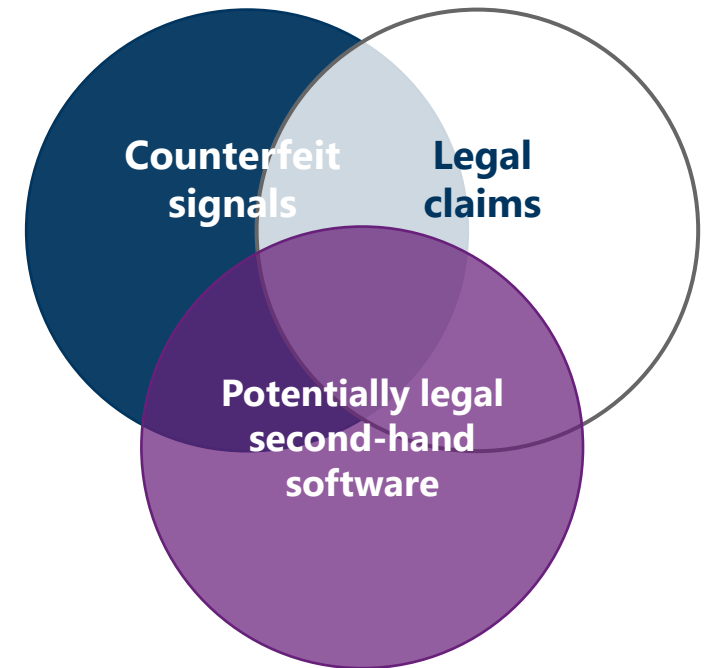
Clearly legal

A product or entitlement supported by a clear, verifiable licensing path.

The challenge is no longer recognizing obvious counterfeits. It is validating provenance, entitlement and compliance behind credible-looking offers.

NEW WORLD

A growing grey zone



Piracy has moved from products to ecosystems

The modern threat is a connected set of channels, identities, entitlements and claims that can make illegal activity look legitimate.

Then

Counterfeit packaging
Unauthorized copies
Simple download sites

Now

Loose or leaked keys
Preinstalled software on devices
Unofficial activation tools

Next

False provenance
Cross-platform identities
AI-scaled promotion and evasion

Executive takeaway: Modern piracy often hides behind legitimate-looking transactions, making provenance and entitlement verification critical.

Why this matters across industries

Counterfeiting and piracy increasingly create operational and resilience risk, not only IP loss.

Safety

Compromised products and software can create operational risk.

Continuity

Illicit products can disrupt services and infrastructure.

Trust

Unclear provenance weakens confidence in suppliers and platforms.

Innovation

Weak enforcement disadvantages legitimate investment and competition.

Across sectors, the shared challenge is fragmented evidence, fast-moving channels and the need for trusted collaboration.

Activation is a technical event. Entitlement is a legal and commercial right.

Product key

Enables activation, but does not by itself establish a lawful right to use.

License / entitlement

Defines the right to use, scope, duration and applicable conditions.

The gap between “it activates” and “it is lawfully licensed” is where many modern piracy vectors operate.

Second-hand software: lawful principle, difficult proof

What the doctrine enables

In the EU/EEA, the distribution right can be exhausted after a qualifying first sale. Digital delivery does not, by itself, prevent exhaustion.

Microsoft's position

Microsoft does not oppose compliant resale of used software when the applicable legal conditions are met.

Where complexity begins

- 1 Origin in the relevant market
- 2 Perpetual term, not subscription or rental
- 3 Value reflecting economic consideration
- 4 Prior copy made unusable
- 5 Evidence across the redistribution chain

The abuse pattern: legitimate doctrine used as a credibility shield

1 Low-friction offer

A key or preinstalled image is marketed as "secondhand" or "trial" or "lifetime."

2 Partial evidence

Documents may exist, but do not prove every condition or transfer.

3 Scale and mixing

Genuine and illegitimate sources can be blended across regions.

4 Customer exposure

Activation may work, while defensible entitlement is missing.

Not every second-hand software transaction is illegitimate, but every transaction requires verifiable proof of origin, entitlement, and transfer.

Detection requires multiple signals, not a single proof point

Market signals

Price anomalies, seller behavior, repeated claims and cross-border patterns

Technical signals

Key type, activation history, device configuration and unofficial tools

Document signals

Origin, chain of title, license term, quantity and deactivation evidence

Ecosystem signals

Marketplace intelligence, partner reports and customer inquiries

Monitor → Triage → Validate → Act proportionately → Learn

What stronger public-private collaboration looks like

Rights holders

Provide actionable evidence
Explain product and licensing context
Design proportionate response paths

Platforms & channels

Preserve seller and transaction data
Act consistently on substantiated notices
Reduce repeat-offender re-entry

Authorities

Build specialist capability
Coordinate cross-border cases
Enable secure, timely intelligence exchange

Shared priority: the right data, trusted by the right actor, early enough to change the outcome.

Three messages to take forward

1

Piracy is now an ecosystem problem

Follow the transaction, identity and provenance, not only the product.

2

Legal nuance is a design requirement

Protect legitimate resale while demanding evidence for entitlement claims.

3

Collaboration must become operational

Build repeatable data-sharing and response mechanisms across sectors.

**Trust is built when
provenance can be
explained,
entitlement can be
evidenced and action
can be taken at
speed.**

Thank you