Quick Answer: How Should We Manage the Recent Licensing Changes to Docker Desktop?

Published 20 September 2021 - ID G00758580 - 4 min read

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Initiatives: Software Engineering Technologies

Docker Desktop will require a license for commercial use beyond certain thresholds from 31 January 2022. Software engineering leaders must assess their teams' Docker Desktop usage and, where necessary, purchase the required licenses or move to alternative solutions immediately.

Quick Answer

How should we manage the recent licensing changes to Docker Desktop?

- Quantify the current usage of the free Docker Desktop application in your organization.
- Check your organization's procurement process for credit card and invoice-based purchases.
- Assess the opportunity cost of adopting an alternative open-source solution to Docker Desktop.

More Detail

Docker announced significant changes to its commercial licenses for Docker Desktop in August 2021, with a grace period running to 31 January 2022 for implementation. Organizations with more than 250 total employees or $10 million in revenue must purchase a commercial license to use Docker Desktop. Either of these conditions will require a commercial license.

Docker has four components that are referenced interchangeably by Gartner clients. These are:

- **Docker Engine** — A container runtime, which is an operating system component, that allows users to run containers.
Docker is a key component in most modern development toolchains and many organizations are using the free version of Docker Desktop. It is likely that your technologists are using Docker Desktop as part of their development workflow for container-based applications (e.g., for inner-loop development and testing) and so the changes from Docker apply to your organization.

Quantify the Current Usage of the Free Docker Desktop Application in Your Organization

You must immediately quantify the level of usage of Docker Desktop in your organization and choose the appropriate licensing tier, or migrate to alternative solutions.

Docker has four pricing tiers, which include Docker Desktop and other components such as Docker Hub, as shown in Table 1. Pricing is on a per-user basis billed monthly or annually. Docker Pro and Docker Team require named users that are assigned in your Docker organization. These users can be swapped. Docker Business allows for a maximum number of users who do not need to be named.

Docker only allows purchases with an invoice for Docker Business (see the section below on procurement and bulk discounts). All Docker subscriptions are billed in USD only.
Check Your Organization’s Procurement Process for Credit Card and Invoiced-Based Purchases

Docker will only offer purchases via invoice for Docker Business. The significantly cheaper Pro and Team tiers are only available as a self-service opinion via credit card payment. Bulk discounts are only available for Docker Business licenses past 100 users. If your organization limits credit card expenses, you will only be able to purchase Docker for Business. Docker will not negotiate on any tier other than Docker Business.

Docker does not offer specific terms for government institutions. Docker Personal is available to educational institutions for research and academic use only. A paid subscription is required for commercial usage.

Gartner’s T4 model (see Follow Gartner’s T4 Process to Optimize Negotiations: Tactics, Templates, T&Cs and Timing) does not fully apply, as Docker will not negotiate on the terms of its subscription service agreement. However, organizations can still utilize the concepts as they think through their approach to Docker's products. As Docker will not negotiate, you must understand early how its T&Cs fit your internal and compliance needs.

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Table 1: Docking Pricing Tiers

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<tr>
<th>Docker Tier</th>
<th>Billing</th>
<th>Volume Discount</th>
<th>Floating User Discount</th>
<th>Price Per/User Per Year</th>
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</thead>
<tbody>
<tr>
<td>Business</td>
<td>Invoice</td>
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<td>Yes</td>
<td>$252</td>
</tr>
<tr>
<td></td>
<td>Credit Card</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Team</td>
<td>Credit Card</td>
<td>No</td>
<td>No</td>
<td>$84</td>
</tr>
<tr>
<td>Pro</td>
<td>Credit Card</td>
<td>No</td>
<td>No</td>
<td>$60</td>
</tr>
<tr>
<td>Personal</td>
<td>—</td>
<td>No</td>
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Note: Pricing accurate as of 16 September 2021

Source: Docker
License Enforcement

Docker has stated in the [Docker Pricing FAQ](see question “How will Docker enforce the new subscription terms for Docker Desktop?”) that it trusts its clients and will use an honesty system for license compliance.

Assess the Opportunity Cost of Adopting an Alternative Open-Source Solution to Docker Desktop

The only similar tool to Docker Desktop is [minikube](https://minikube.sigs.k8s.io/), a part of the Kubernetes project, which allows users to run Kubernetes on a macOS, Linux or Windows desktop. [Podman](https://podman.io/), commonly used in conjunction with Red Hat OpenShift, will provide a subset of Docker Desktop functionality. [Rancher Desktop](https://www.rancher.com/rancher-desktop/) provides a local development environment for Kubernetes on Windows and macOS. Other alternatives such as [microk8s](https://solutions.microk8s.io/) or [K3s](https://k3s.io/) can only run on a Linux distribution, limiting their appeal to enterprise users.

If you are looking at alternative solutions, you must include the opportunity cost of using this solution for your engineering resources. For example, a 100-seat annual subscription to Docker Business without any discounts is currently $25,200. Supporting 100 seats with an open-source alternative is likely to significantly exceed this cost due to the level of engineering resources required to maintain the solution. If you decide to pursue open-source alternatives, you must ensure doing so is a worthwhile use of your engineering resources.

Recommended by the Authors

- Follow Gartner's T4 Process to Optimize Negotiations: Tactics, Templates, T&Cs and Timing
- Ensure Safe and Successful Usage of Open-Source Software With a Comprehensive Governance Policy
- Quick Answer: How Should We Manage Our Atlassian Contract?

Evidence

- Docker is Updating and Extending Our Product Subscriptions
- Docker FAQs
- An Overview of Docker Desktop Alternatives
- Docker Pricing
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