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Three decades ahead of the curve

# Three DECADES ahead of the *CURVE*

## Wibu-Systems at 30: Solving tomorrow's problems today

In early 1989, the world was a very different place: A continent divided by the Iron Curtain.

In one of the very first cybercrime cases to make the headlines, German hackers had sold US military data to the Soviets. But most computer crimes were not feeding global political intrigue; it was all about floppy disks of cracked games sent through the mail.

□ In Karlsruhe, Germany, two students at the Karlsruhe Institute of Technology (KIT), Oliver Winzenried and Marcellus Buchheit, were already working to solve the problems of a future few people could imagine: Protecting digital assets with cutting-edge cryptographic means. Henceforth, WibuBox, a novel dongle-based DRM solution, was born. Finding answers to global issues long before society had even taken heed of the risks ahead, became one of Wibu-Systems' core characteristics.

The original WibuBox has since evolved into today's avantgarde software, hardware, and cloud-based CodeMeter software monetization technology. Then as now, Wibu-Systems protects the invaluable digital IP that is guiding and aiding more and more of our lives, from desktop applications to smart factories to critical infrastructures.

This year, Wibu-Systems is celebrating 30 years in business with its many channel partners, its loyal customers, and its faithful employees. For three decades, Wibu-Systems has been synonymous with excellence and perfection in protection, licensing, and security technology, making the business of software publishers and intelligent device manufacturers simpler and more profitable, while safeguarding jobs, health, safety, and the environment.

Since its inception, Wibu-Systems has remained true to its

principles. An unwavering focus has been rewarded with a position as the unbeaten champion for protection technology, put to the test in many international hacking contests. In parallel, its versatile license and entitlement management platform has continued to advance and provide relevant insights that allow ISVs and IDMs to tailor their offerings to the delight of their customers, while growing their business. There is no better sign of the company's belief in its future and commitment to continued progress in its field, than the new headquarters and the House of IT Security that Wibu-Systems is building in Karlsruhe.

The pioneers of the company's earliest days are still at the helm: For Oliver Winzenried and Marcellus Buchheit, moving into the fourth decade of Wibu-Systems is simply the next milestone in their story: "When we started the company, there was no Internet. We did not know what the future held, but we wanted the world to be secure nonetheless. Now that the Internet of Things is becoming reality, we are continuing on that same mission – brought to life by our great people and enjoyed by our users everywhere."

Silicon Trust caught up with Wibu-Systems' co-founders Oliver Winzenried and Marcellus Buchheit at the company's headquarters in Karlsruhe and asked them to share their thoughts about Wibu-Systems' values, their customers, and what the future holds for the company.



L-R Oliver Winzenried, Founder & CEO Wibu-Systems AG, Germany, Marcellus Buchheit, Founder & CEO Wibu-Systems USA

### Let us start with the most basic principle: What does Wibu-Systems stand for?

**Oliver Winzenried:** We provide protection, licensing, and security. What that means in practice is that our products empower our clients by giving them IP protection, novel licensing concepts that enable new business models, and security mechanisms that create value not just for them, but also for our society as a whole. That's a win-win situation for the makers of software and devices, for their operators, and for the end users. And we do all of this in a way that is fair and delivered in an ethical manner to ensure business success and a better environment for everyone involved.

**Marcellus Buchheit:** Wibu-Systems sells software licensing products. With effective software licensing, you know that every copy of your software that is in use was sold and bought legitimately – no illegal copies can slip through the net. We use top-notch security technology to protect licenses against hacking by anyone trying to crack our protective measures. And we do this via hardware, software, or the cloud, so that our customers enjoy the highest usability and flexibility. Our goal is that whenever a customer requires licensing – in any location, with any technology, on any platform – we have a solution for them.

### What are the Unique Selling Points (USPs) of Wibu-Systems?

**MB:** Technology has changed over time. In the past, most people had a simple choice of operating systems: usually Windows or DOS. Today, we also have mobile platforms, embedded platforms, and even platforms created as homegrown solutions. Wibu-Systems intends to have a software licensing and protection solution available, no matter which requirements our customers bring to the table. We start with CodeMeter Runtime, which is available out of the box for operating systems such as Windows, Linux, and macOS; we also have very specific adaptations for other runtime platforms or embedded systems like Wind River VxWorks and Linux Embedded. For extreme cases, when customers want to start their own implementations from scratch, we can also provide the source code of our solutions.

The biggest advantage of CodeMeter over a homegrown solution is the sheer flexibility it offers for licensing. Consider licenses for on-demand or leasing products: Options like these are very important for our customers when it comes to marketing and selling their software solutions and products. We provide the same licensing flexibility for embedded systems or on-silicon solutions via CodeMeter License Central. It is all built to integrate seamlessly into our customers' back office systems, so their modules work with their own ERP, CRM, and e-commerce platforms.

“ *We are committed to supporting our customers with new technology and will continue to innovate. This means balancing their demands with “blue-sky” work in domains like post-quantum cryptography, the IoT, edge, and embedded computing.* ”

**OW:** For me, Wibu-Systems’ Unique Selling Point (USP) is our sole commitment to software security, software protection, and software licensing. To that end, we are investing in people, in infrastructure, in the development and innovation of our products, and in our relationships with our customers to build long-term trust and confidence.

This year, Wibu-Systems is celebrating its 30th anniversary. We have provided continuity from the very beginning; products from our company’s legacy catalogue are still available (of course, in heavily improved versions). We are also investing in new branch offices abroad: We have wholly-owned subsidiaries in the USA, China, and Japan, as well as sales offices throughout Europe, which enable us to provide expert local consulting service for our customers. With Wibu-Systems being a financially independent and family-owned, mid-sized enterprise, we remain true to our vision. We are not looking for short-term profit, but rather for long-term relationships with our partners and customers.

### **How would you characterize the customers of Wibu-Systems? Are they specific to any industry? What are they looking for in Wibu-Systems’ solutions?**

**OW:** Every one of our customers expects something different from our solutions. What they have in common is that they need their IP protected – this is very important, as more and more functions and features are realized in software, and as the real intellectual property of manufacturers is hidden in the algorithms of the software code they own.

Our customers come from a very broad spectrum of industries. When we started the company in 1989, it was PC software that required protection; today, software is everywhere. Many of our clients are involved in industrial automation (PLCs, engineering tools, sensors, actuators), and there is growing interest from medical device makers as well. Medical technology is getting more and more connected (to a medical network or a hospital network), and more of its features are realized by software. Sophisticated companies like this have very specific requirements for licensing to create new business models. Security is increasingly on their minds: Medical device manufacturers want to protect the integrity of their units and the confidentiality of patient data. There is also the automotive sector, the after-market segment in particular, where we have many customers.

We are working in up-and-coming fields like the Internet of Things (IoT) or Edge Computing, where devices need to be managed through the cloud. That can be accomplished with our CodeMeter technology. And with technologies like artificial intelligence, we have leading manufacturers who need to protect the algorithms for their AI applications, like facial recognition for example.

**MB:** The great flexibility of our products is reflected in the wide variety of our customers. We’re not really industry-specific nor are we specific to a platform; we have customers of all shapes and sizes. Some of them require ten licenses a year, others have millions of licenses a year. We have customers all over the world. We have customers with simple, low cost products; we have others with very expensive, very complex products; and we have customers who need to license a vast range of different features. Some of our customers require different licenses on demand.

30 propelling your business to new heights 1989-2019

And then there are customers who are selling their products for embedded solutions, as well as those still for desktops. And they need both types to work with the same license and to be sold over the same in-house system. You cannot expect them to run two different licensing systems in parallel for embedded and desktop products.

### **Wibu-Systems is a big believer in ‘Security Made in Germany’ – Why is this so important to you?**

**OW:** ‘Made in Germany’ is very close to our hearts. We have long-standing cooperation with German organizations like VDMA and bitkom, and we are working in research and development together with Germany’s academic world, like the Karlsruhe Institute of Technology (KIT), the Karlsruhe Research Center for Information Technology (FZI), and Fraunhofer Gesellschaft. Internally, our engineering processes are designed carefully to meet the highest quality standards. This is especially important in the security field in which we operate, where small mistakes could be catastrophic and compromise the business of the thousands of active customers that trust our technology.

**MB:** Products ‘Made in Germany’ are world renowned for their perfection. That perfection does not just mean the high precision of the technology, but also its usability and the ability to understand the whole concept of the product. When you have a very complex technology like CodeMeter, you have different pieces that need to work together, and it is very important that these pieces are easily replaceable, can run over a long period, and remain backwards compatible. Our customers can feel confident that their products will fulfil their needs far into the future.

### **What’s next in store for Wibu-Systems?**

**MB:** For the past 30 years, Wibu-Systems has always remained dedicated to the needs of our customers. The most defining ideas for the future of our technology come from our close interaction with our customers. At the same time, we always keep an eye on new academic research and new innovations, and we adapt them to our business. In one recent case, our cooperation with the local KIT brought about Blurry Box, a cryptographic method that won the German Security award. It pushed obfuscation techniques beyond their current limits to even stronger, as yet unbeaten protection against reverse engineering.

**OW:** We are committed to supporting our customers with new technology and will continue to innovate. This means balancing their demands with “blue-sky” work in domains like post-quantum cryptography, the IoT, Edge, and embedded computing.

We are also investing heavily into our global growth. We are starting up new offices in other locations, which will result in a broader geographical footprint over the next five years. We are also investing into our new headquarters here in Karlsruhe – A new building is going up right now, close to our current one. It will host the House of IT Security as well, which we envision to be a hub for innovation in the security area, attracting companies from Germany and abroad. ☒