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Workshop n°2: Which IP protection for the software?
How to license the software?

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Which IP protection for the software? 1/ Protection by copyright

- Protection of computer programs by copyright has been harmonized through out EU (EC Directive n° 91/150)
- In all 25 Member States of the EU, computer programs are specifically or implicitly protected by copyright law
- By copyright, source and object code are protected as literary works. Modifications and translations also.
- In most countries, national law has been modified for bringing copyright duration to 70 years AD, in application of EC Directive n° 93/98 of October 29, 1993

1/ Protection by copyright

- © notice recommended only for obtaining full damages, in Ireland, Italy, Lithuania and Luxembourg
- Registration never compulsory, but in Italy it is possible to register a program before SIAE on a special public Register, and in France it is possible to register a security on a software before the French Patent Office
- Some advantages of copyright protection :
  - length of protection, 70 years AD (even though such a protection seems not reasonable for computer programs)
  - low cost (no formalities nor registration are compulsory)
  - automatic protection over 150 countries, by application of Berne Convention

1/ Protection by copyright

- Some drawbacks of copyright protection :
  - a protection limited to identical copy, in whole or in part
  - no protection against computer programs using the same functions, when the programming is different
  - the source code of computer programs is generally kept secret, since there is no incentive for disclosure to the public

- The European Parliament itself added to the proposal of Directive n°9713/04 in the Statement 16 «*With the current trend for traditional manufacturing industry to shift their operations to low-cost economies outside the European Union, the importance of intellectual property protection and in particular patent protection is self-evident* » .

1/ Protection by copyright

- According to Art. 9.2 of TRIPS Agreement, copyright protection shall not extend to expressions, ideas, procedures, methods or mathematical concepts as such
- Consequently, there is little protection against “intelligent” copies which consist in accessing to the source code (by reverse engineering…) in order to understand how the functions are implemented by the program. It is then easy to create a new “similar” program, using the same functions, but with a different programming
- ***As a conclusion***, copyright protection is useful and efficient, but insufficient to protect the software industry against intelligent imitations

2/ Protection by patent law

- 23 countries out of 25 EU States are also member of EPC
- Latvia is an associated country to EPC, but according to patent Attorneys in Latvia, EP patents on computer programs should be revoked in Court on the basis of their national law
- Only Malta is completely out of the EPC. However, according to patent Agents in Malta, the national case law should follow the EPO case law
- According to patent Attorneys through out EU, national Patent Offices are expected to follow the EPO case law

2/ Protection by patent law

- Some advantages of patent protection :
  - functions are protected, independently from source code
  - public disclosure on the functions of the computer program, with the patent application publication
  - a definition of the scope of the protection claimed on the computer program, in the patent claims
- Some drawbacks of patent protection :
  - risk of patenting purely theorical computer programs,
  - poor readability of a claim directed to a computer program
  - no source code disclosure in patent application
  - difficulty to determine whether the source code of a computer program infringes or not a functional claim protecting a computer program.

2/ Protection by patent law

- According to recent EPO case law (T258/03 of April 21, 2004), in general, a software, an apparatus or a method for performing an economic activity and involving technical means as usual as a computer, is an invention within the meaning of article 52(1) EPC
- But, only the features which contribute to a technical character will be taken into account for assessing novelty or inventive step, the economic steps being let aside
- Most national Courts are also expected to follow the EPO case law, even though there is little or no case law at present (Courts in France, Poland, United Kingdom and Ireland are expected to be more restrictive than EPO)

2/ Protection by patent law

- In France, there is little case law in the field of software patents
- 1975 MOBIL OIL case : Supreme Court rejects a French patent application, since it was not claiming a technical process nor an apparatus, but a computer program only. It must be noted that at that date, all computer programs were excluded from patentability
- 1981 SCHLUMBERGER case (under new Law of 1978, where only computer programs as such were excluded from patentability) Paris Court of Appeal decided that exclusion from patentability of computer programs is an exceptional provision and shall be restrictively interpreted.
- This case was the recognition of the patentability of any process or apparatus involving the use of a computer program.

2/ Protection by patent law

- 2001 TRAVERE case: Paris Court of Appeal rejected a patent application, on the ground that the claimed method was in the field of a business method and could not be considered as an invention, since it was only referring to data processing, without mentioning any technical feature of the process itself.
- 2002 CATALINA case: First Instance Tribunal of Paris decided that a claim directed to an apparatus could not be rejected as a business method according to Article 52(2) and (3) EPC, even though the technical compounds of the claimed device are described by their functions only.
- 2003 ANTONIETTI case: Rennes Court of Appeal rejected a patent application, by interpreting a device as a method, since the claimed device was only defined by reference to processing steps, without any technical reference (Contrary to CATALINA)

2/ Protection by patent law

- 2003 SAGEM case (Paris CA): a method is rejected as being manifestly not an invention, but just an economic activity (no technical means was claimed, even usual means)
- Before the FPO or French Courts, French patent applications or European patents may be rejected/revoked as business methods, or computer programs as such, even though the claim involves standard technical means, or is drafted as a device claim, if technical means are used in a standard way or the device claim is drafted as a process claim.
- French Patent Office is expected not to follow the recent EPO case law, since it cannot examine the inventive step of a French patent application.

2/ Protection by patent law

- In Germany
- Federal Court of Justice in Germany May 11, 2000: an apparatus such as a computer, which is programmed in a specific way has always a technical character.
- In a recent decision of May 10, 2004, the Federal Patents Court stated that "*In view of the intention and purpose of the Patent Law, inventive step can only be associated with a technical contribution to the state of the art".*

Prospects

- Both protections by copyright and patent law are used and seem to be complementary
- The position of the EPO is not to change its current practice
- May admissibility of software patents be linked to a requirement of source code description in the patent application, as it is now the case for nucleotide sequences or biological material (See rules 27a and 28 EPC) in the biotech field ?