

**PATENTABILITY OF COMPUTER-IMPLEMENTED INVENTIONS
CONSULTATIONS PAPER BY THE EUROPEAN COMMISSION**

UNICE Comments

A. INTRODUCTION

The legal landscape surrounding patentability of software-related inventions has changed dramatically over the last several years. As we enter the third millennium, the protection of technology and technological advancements cannot be achieved by looking backwards.

The digital environment is one of the most promising in terms of innovation and economic developments and the ability for Europe to position itself on this market will impact substantially on its economy and wealth.

In this context, Europe needs to remove the current ambiguity and legal uncertainty which surrounds patentability of software-related inventions if it wants to support innovation in this field and not to bar European companies from access to those markets. If a rapid action is not undertaken, this market will be dominated by Europe's main trading partners, in particular Japan and the USA where there are no restrictions on patenting software-related inventions.

Article 52(1) EPC reads: "European patents shall be granted for any inventions which are susceptible of industrial application, which are new and which involve an inventive step". At the November 2000 Diplomatic Conference, this provision has been brought in line with Article 27 (1) TRIPs Agreement. Nevertheless, computer programs as such remain excluded from patentability because of Article 52(2,3) EPC. Some flexibility has been introduced by EPO practice, which allows for patentability of software-related inventions if the latter comply with very specific requirements. Yet, this situation is ambiguous and lacks legal certainty and UNICE encourages the Commission to adopt a broader approach in its proposal for a directive on this subject.

UNICE believes that present restrictions to patent software-related inventions are harmful for European companies and that any EU proposal on this subject should simply adopt the wording of Article 27(1) TRIPs which declares that patents shall be made available for any inventions, whether products or processes, in all fields of technology, provided they are new, involve an inventive step and are capable of industrial application. UNICE believes that legislative measures should not go beyond this provision, as any more detailed legislative provisions might easily result in a deviation of Article 27(1) TRIPs Agreement.

In this context, UNICE supports swift action by the EU institutions to present a directive harmonising legislation and practices on this subject at European level, and is willing to work closely with the Commission services to ensure that the proposed instrument fully meets users' needs and does not jeopardise the quality of the patent system in Europe.

At this juncture, UNICE would draw attention to the fact that in the development of case-law on software-related inventions the most important EPC provisions were not those of Article 52, paragraphs 2 and 3, EPC, but those of Rules 27 EPC (technical field, technical problem ¹) and 29 EPC (technical features), so written down in secondary and flexible legislation. Having this in mind, UNICE believes that should there be a desire to legislate beyond the basic provisions of Article 27(1) TRIPs Agreement, such further provisions should be laid down in more easily amendable rules that are of lower rank than a basic provision in the EPC Articles themselves. In this way, any conflict between the EPC and the TRIPs Agreement is automatically resolved by the operation of Article 164(2) EPC providing that the EPC Articles overrule any conflicting EPC Rules.

Having these basic principles in mind, UNICE would like to offer its comments on the key elements laid down in the consultation document.

B. SPECIFIC COMMENTS

I. THE PRINCIPLE

As mentioned above, UNICE agrees to the first sentence that simply reflects Article 27(1) TRIPs Agreement. However, UNICE is not yet sure whether each computer-implemented invention should be susceptible of patent protection simply of its being implemented by means of a computer. While UNICE could imagine case law going into that direction, it might be that in this manner, patents are granted for subject matters for which the patent system is neither intended nor fit. This illustrates the need for not legislating beyond the provision of Article 27(1) TRIPs Agreement. This should be done in a provision of equal rank with an EPC article that reflects article 27 TRIPs, viz. Article 52(a) EPC as amended at the November 2000 EPO Diplomatic Conference (document MR/3/00).

Anyhow, we feel that it does not make much sense to generously acknowledge patentability for any invention that uses a computer, while at the same time it is proposed (see key elements iii. And v.) that in the examination as to inventive step only the technical innovative elements recited in a claim are to be taken into account. Accordingly, in this respect UNICE cannot agree to the approach taken in the recent EPO Technical Board of Appeal decision T 931/95. We believe that as soon as a claim relates to patentable subject matter, all features recited in that claim should be taken into account in the examination as to the presence of an inventive step.

UNICE's current way of looking at this issue is best illustrated by means of a few examples relating to an invention claimed as a composition of both technical and non-technical features:

- If the technical features are new and non-obvious, a patent should be granted.
- If the technical features are already known, a patent should not be granted.
- If the technical features are new but obvious, while the claim as a whole (i.e. including both the technical and the non-technical features) is non-obvious because of the non-obvious non-technical features, a patent should be granted.

We thus feel that the TRIPs-based requirement that the invention should be in a field of technology implies that the invention should encompass a contribution in a field of technology.

¹ If anything should be changed in EP patent law apart from the obvious need to replace Article 52, paragraphs 1-3, EPC by a provisions that just repeats Article 27(1) TRIPs Agreement, we feel that the problem should no longer be required to be a technical problem as currently prescribed by Rule 27(1) EPC; it should suffice that the claims recite the technical features of the invention as currently prescribed by Rule 29(1) EPC. An invention should be deemed to relate to patentable subject matter if some problem is solved by technical means in a new, on-obvious and industrial applicable way.

II. THE COMPLEMENTARY NATURE OF PATENT AND COPYRIGHT PROTECTION

UNICE most strongly disagrees to this possible key element. If a certain invention is patentable in view of Article 27(1) TRIPs Agreement, the scope of a patent on that invention should not only extend to methods embodying the inventive algorithm and to devices operating in accordance with that algorithm, but also to any computer-readable medium on which a computer program is stored that enables a machine to operate in accordance with that algorithm, and it should also be possible to prevent making available for downloading such a computer program. In this respect, it should not matter whether this computer program is in source code or in object code. So, in line with what has been laid down in Article 9 of EC Directive 91/250/EEC, overlap of copyright protection and patent protection should be allowed, with the patent protecting anything that embodies the technical principle, and copyright protecting any specific expression, whereas under the same principle, more specific expressions are possible.

III. THE REQUIREMENT OF A NON-OBVIOUS TECHNICAL CONTRIBUTION

As set out above, we strongly believe as soon as a claim relates to patentable subject-matter within the meaning of Article 27(1) TRIPs Agreement, all elements in that claim should be taken into account in the inventive step assessment, and thus not the technical contribution alone, isolated from the context.

We agree to what has been stated at b): a straightforward automation of a known process using known automation techniques is not patentable for lack of inventive step.

IV. THE "TECHNICAL CONSIDERATIONS" CRITERION

While UNICE believes that the "technical considerations" criterion is a sound way (but only just one sound way, not excluding other tools) to determine whether the invention meets the "in any field of technology" criterion laid down in Article 27(1) TRIPs Agreement, it should only be applied in this context; it should thus only be applied in the examination as to whether the invention relates to patentable subject-matter, but not in the examination as to the presence of an inventive step.

As this criterion is just one sound tool, while in future other tools might appear to be more suitable, it should not be laid down in Articles of the EPC or in Articles of an EC directive. Case law should be allowed to develop on this issue without being hampered by provisions cast in stone.

V. THE ASSESSMENT OF TECHNICAL AND NON-TECHNICAL FEATURES

See above comments under I. and IV.

VI. THE POSSIBLE CLAIMS

Indeed, both claims on the programmed computer and claims on the process carried out by the programmed computer should be possible as soon as the invention meets the requirements of Article 27(1) TRIPs Agreement. Moreover, it should not matter whether an invention is claimed as a sequence of method steps using specifically indicated respective technical tools, or as a combination of these technical tools for carrying out the respective method steps. In this respect, we thus disagree with the approach taken in the above-mentioned EPO Technical Board of Appeal decision T 931/95.

In addition, to prevent the exploitation of a patent on a patentable invention from being impeded by unnecessary restrictions, the EPO should (continue to) allow computer-program claims i.e.:

- on a computer-readable medium on which a computer program is stored that enables a machine when loaded with the program to carry out the above-mentioned process;
- on making available for downloading such a computer program.

Because contributory infringement is territorially restricted, patentees cannot rely on the prohibition of contributory infringement so that such program product claims are absolutely necessary in the exploitation of the patent. Herein, each claim should of course meet all requirements mentioned in Article 27(1) TRIPs.

VII. GENERAL PATENT LAW AS CONTINUOUS ESSENTIAL BASIS FOR PROTECTION

We agree that should an EC directive be adopted on the patentability of computer-implemented inventions, anything not governed by this directive should continue to be governed by the presently available body of law.

VIII. SCOPE AND IMPACT OF HARMONISATION

As to the scope of harmonisation, primary national and EPC legislation and any EC directive on the patentability of computer-implemented inventions should be confined to a repetition of Article 27(1) TRIPs Agreement. The remainder should be left to secondary legislation and/or case law.

The impact of this preferred option on innovation in software and underlying knowledge and techniques is simply the same as in all other fields of technology: patents on computer-implemented inventions will stimulate computer-implemented innovations as investments are protected and can be earned back with profits. Patents are a useful asset for raising venture capital in view of exploiting achievements, in particular for SMEs.

Patents do not discriminate between SMEs and larger corporations. However, patenting costs should be lowered to make patents more attractive also for SMEs. UNICE thus supports the outcome of the London Agreement on the application of Article 65 EPC and the cost-reducing aspects of the draft Community Patent Regulation.

Patents on computer-implemented inventions will not harm the creation and dissemination of free/open source software. The open source community may prevent patents by timely publishing their innovations, or use their patents just like they use their copyright to enforce compliance with their business model².

As to the impact of UNICE's stance on the position of European software industry in global competition, we submit that if the EU software industry cannot patent their computer-implemented inventions at home, they will not easily file patent applications on such inventions abroad and US and Japanese companies will unilaterally charge EU companies for US patent infringement in their jurisdiction.

Finally, UNICE strongly believe that for the Information Society to benefit from legal certainty, the European Community and its Member States must fulfil their obligations under Article 27(1) TRIPs without reservations.

C. CONCLUSION

UNICE is of the firm opinion that primary national and EPC legislation and any EC directive on the patentability of computer-implemented inventions should be confined to a repetition of Article 27(1) TRIPs Agreement.

² In the "open source" model, under the terms of a "general public licence" (see <http://www.linux.org/info/gnu.html>), free use of the open source software is conditional on a royalty free license by the third party to any other party, and for any work that they distribute or publish, and which in whole, or in part, contains or is derived from the open source software or any part thereof.

Article 7 of the GNU license stipulates: ...if you cannot distribute so as to satisfy simultaneously your obligations under the license and any other pertinent obligations, then as a consequence you may not distribute the program at all.

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Article 52 EPC reads: "European patents shall be granted for any inventions which are susceptible of industrial application, which are new and which involve an inventive step". Nevertheless, computer programs as such are excluded from the list of patentable inventions under EPC. Some flexibility has been introduced by EPO practice, which allows for patentability of software-related inventions if the latter comply with very specific requirements. Yet, this situation is ambiguous and lacks legal certainty and UNICE encourages the Commission to adopt a broader approach in its proposal for a directive on this subject.

UNICE believes that present restrictions to patent software-related inventions are harmful for European companies and that any EU proposal on this subject should simply adopt the wording of Article 27 TRIPS which declares that patents shall be made available for any inventions, whether products or processes, in all fields of technology, provided they are new, involve an inventive step and are capable of industrial application. In this context, inventions which relate to business methods and comply with the above requirements should also be patentable.

Nevertheless, the extension of patentability in the area of business methods beyond the basic definition in Article 27.1 of TRIPS should not be permitted. In allowing patentability of inventions in this field, the European institutions should be careful not to open the door to a lowering of the inventive step criteria and to ensure that patents granted in Europe for software-related inventions rely on solid bases.

In this context, UNICE supports swift action by the EU institutions to present a directive harmonising legislation and practices on this subject at European level, and is willing to work closely with the Commission services to ensure that the proposed instrument fully meets users' needs and does not jeopardise the quality of the patent system in Europe.