

Software Patents: The Debate Over Computer-Implemented Invention (CII) as a Matter of Public Policy

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- **Summary**

- Recall of the positions of Portugal (PT) during the discussions of the CII EU directive
- PT originated a very small number of CII. Why then to support CII directive on the “general approach” grounds?
- Software (SW) patents in Portugal: significance of patent enforcement of such patents
- Recognised problems related to the proliferation of patents on SW
- INPI SME guidance on patenting SW

- **Recall of the positions of Portugal (PT) during the discussions of the CII EU directive at the EU Council**
 - Supportive of EU Directive that codifies *status quo* established by EPO practice which is considered a balanced one
 - Against a Directive not effective in protecting SW products (product claims)
 - Against tentative Directive that would put at risk CII IPR at European scale (European Parliament formulations) and corresponding licensing agreements

- PT originated a very small number of CII. Why then to support CII directive on the “general approach” (DK presidency position) grounds?
 - EPO practice considered balanced: technical inventions should be patentable; non technical (i.e. contabilistic, administrative, business related, rules of games, *inter alia*, should be excluded if no technical contribution is involved)
 - Business and administrative methods patentable leads to the proliferation of trivial patents; patents not universal (no technical language); validity and enforceability problems; difficulty of assessment of inventive step
 - If CII directive wouldn't do preservation of *status quo* it would do serious harm to all IPR and jeopardise all technological investment
 - Consultations to Industry confirmed PT position (at government level)
 - Open source movement opposed
 - If CII not patentable, patent system obsolete, because technological development axled in SW

- **SW patents in Portugal: significance of patent enforcement of such patents**
 - about 6000 EP validations/year
 - if 20% CII, then 1200 patented CII via EP route
 - no significant court cases known by INPI
 - one court case involved CII, but national patent application refused
 - 260 patent applications with PT priority in G/ IPC section (source: esp@cenet); one undetermined number of it are CII

- **Recognised problems related to the proliferation of patents on SW**
 - CII complex technology means that a single SW product may imply the use of several patented functionalities and demand the corresponding licensing agreements
 - If patenting CII is main stream, launching a new SW product becomes a very risky operation due to undermined landscape (see recent Microsoft vs Lucent/Alcatel court case); furthermore the IPR clearance of a new product is a costly and uncertain legal and technical exercise
 - Public Policy Problem: how to refrain trend to apply for patents by companies when trend installed?

- **INPI SME guidance on patenting SW**
 - Understanding and adopting EPO patent practice: technical effect means secondary technical effect that goes behind the normal computer physical processing of programs
 - Technical considerations equivalent to usefulness or utility
 - Claims should describe automated steps, not operator steps
 - A mathematical formula is allowable in a claim as long as integrated in a technical process
 - Spread message: CII patenting means creating licensing opportunities with major IT players



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Thank you for your attention!