Some Remarks on Software and Business Methods Patentability

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What Are We Talking About?

Software: from the algorythm to the application

- Why Are Software Important?
- How to Encourage the Software Production?

Business Methods: the ways to do business

- Are Business Methods Important …as software or databases?
- Is the protection of business methods fostering the competition in the market?

How to protect Software and Business Methods?

- Currently with IPRs, such as patents, petty patents, trade secret, copyright, trademarks. But also with contractual obligations, liability rules, technical devices, etc..

Patent Protection on Software

- ***International Legal Framework:*** art. 27 TRIPs reference to « all the field of technology »
- ***The European Legal Framework:*** *European Patent Convention*: exclusion of patentability

  EU Proposal of Directive on software patents (failure)
- ***The US Legal Framework***

  « Anything Under the Sun Made By Man » (***Chakrabarty*** decision)

  1st Phase (until late 70s): TS and licensing agreements

  2nd Phase (mid 80s): personal computer – shrink-wrapped software

  3rd Phase (since 1986): patents on software goods and software-embedded products.

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1st Milestone: ***State Street Bank*** decision of the US Court of Appeals for the Federal Circuit on the patentability of business methods. It established the principle that a claimed invention was eligible for protection by a patent in the United States if it involved some practical application and "it produces a useful, concrete and tangible result."

2nd Milestone: ***In re Bilski*** decision however considered the useful-concrete-tangible test inadequate. Therefore the portions of the *State Street* decision relying on this inquiry are no longer of any effect under US patent law. The court reaffirmed the **machine-or-transformation** test:

> **test of patent eligibility** under which a claim to a process qualifies to be considered for patenting if it (1) is implemented with a **particular machine**, that is, one specifically devised and adapted to carry out the process in a way that is not concededly conventional and is not trivial; or else (2) **transforms** an article from one thing or state to another.

Main Features of Patent Protection

- **Subject Matter:** inventions/ideas
- **Formalities**: registration
- **Access Requirements for protection:**
  - Novelty (relative)
  - Non Obviousness (for the men skilled in the field)
  - Utility
  - (Public Order and Morality?)
  - Disclosure Requirement (Best mode)
- **Content of Protection (exclusive** economic rights + attribution)
- **Limits to content of protection:**
  - Territorial protection only
  - Term of protection
  - Exceptions and limitations
- **Right Owners & IPR Management:** (via contracts)

Some Questions on Software and Business Methods Patentability

High Access Requirements?

1. Novelty – 2. Non Obviousness => petty patents or TS

Strong Content of Protection:

1. Locking ideas – Standard Term for all the inventions
2. Cumulative protection – Overlapping => Competition?

Is the current system an underprotecting regime?

Is the current system an overprotecting regime?

Shoukran!

Thank You

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