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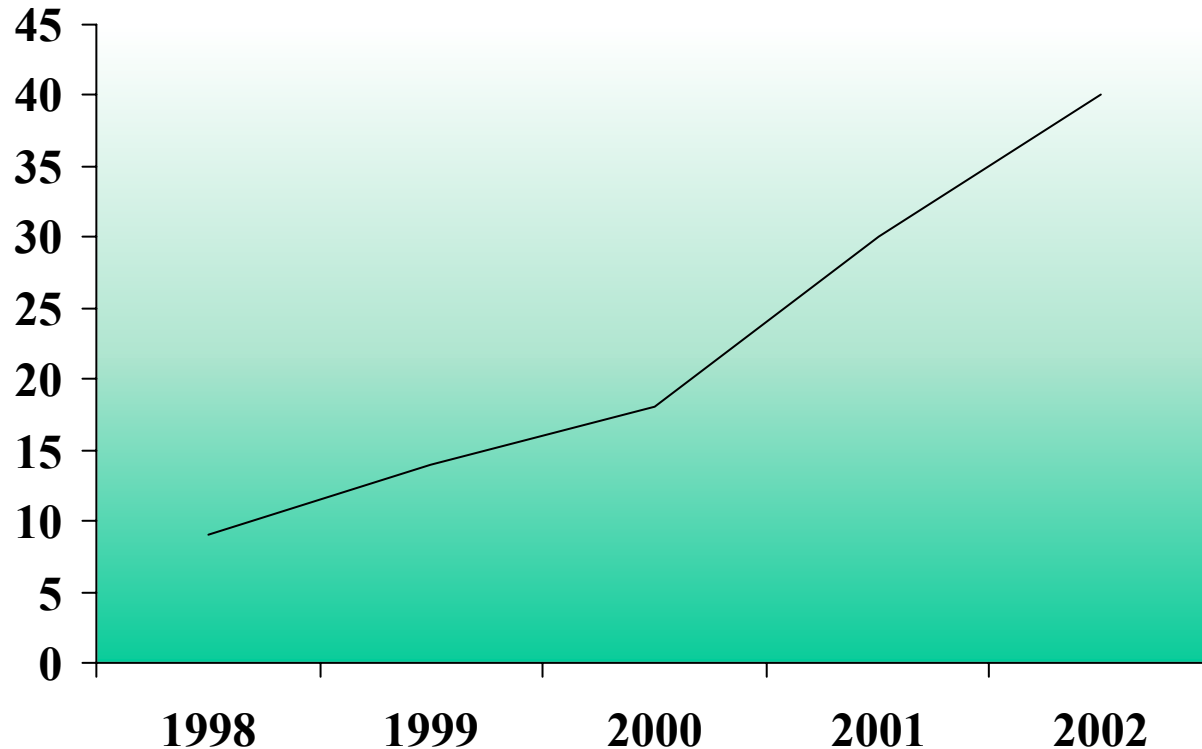
Companies' Strategies
to protect new technologies

Madrid, 7th May 2002

Executive Summary

- ☞ Some relevant data
- ☞ Patent as a means to protect computer-implemented inventions?
- ☞ Proposal of a Directive on the patentability of computer-implemented inventions;
- ☞ Protection of new technologies;
- ☞ Companies strategies to protect new technologies.

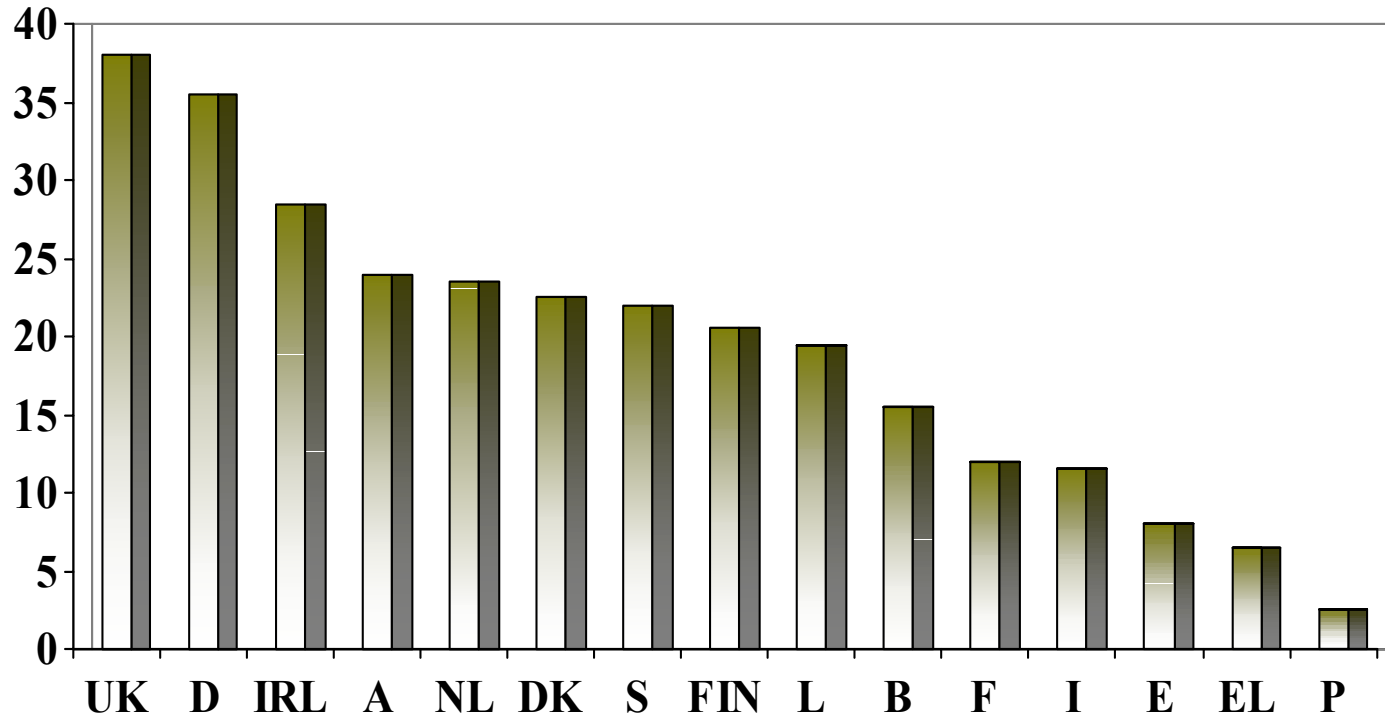
Internet Penetration



Source: European Commission

Internet penetration faced a sharp growth in the EU over the last years.

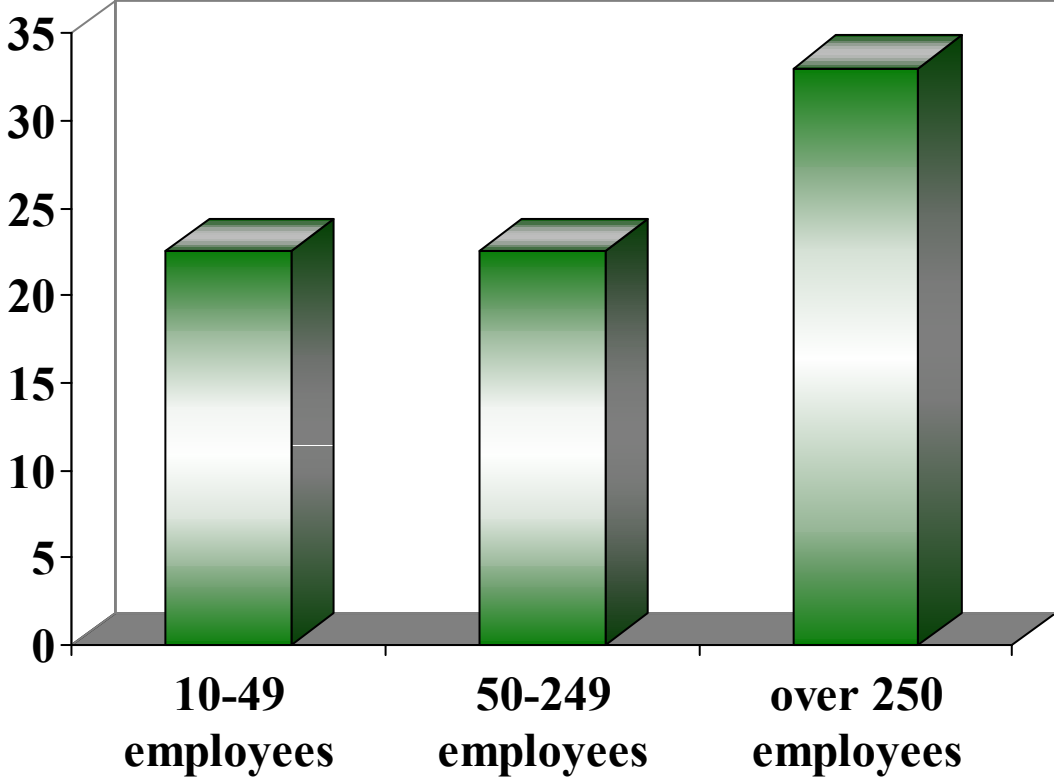
Buying online



Source: European Commission

The percentage of companies buying online in the EU is 22,9%.

Selling online




Source: European Commission

Percentage of companies selling online by size.

New Technologies

Intellectual Property protection in the new technologies industry is raising concerns:

 Example: a recent Beep Science's report warns the world-wide mobile industry that it is in risk of losing □4 Billion of revenues per year if IP protection is not conceded on MMS.

Patent as a means to protect new technologies?

- Article 52 (2) of the European Patent Convention (“EPC”) states that “the following in particular shall not be regarded as inventions...: (c) ...programs for computers”.
- Similarly, national patent laws in general exclude computer implemented inventions from protection.


Patent as a means to protect new technologies?

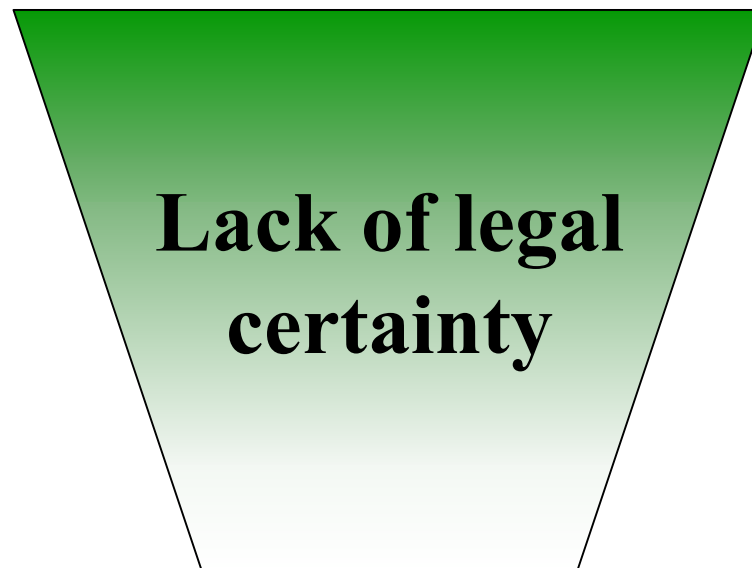
Basic requirements for an invention to be granted protection:

Novelty, inventive step and being capable of industrial application.

- ❏ Computer-implemented inventions “as such” are defined as not being inventions and are therefore excluded from patentability;
- ❏ They are generally considered to be unsusceptible of industrial applications;
- ❏ They are regarded as lacking “technical character”.

Patent as a means to protect new technologies?

 Yet, thousands of patents have been granted to computer-implemented inventions by both the European Patent Office (“EPO”) and national patent offices.



Patent as a means to protect new technologies?

The European Commission presented a Proposal of a Directive on the patentability of computer-implemented inventions.



Main Aims

- Harmonisation of the rules applying to the patentability of computer-implemented inventions over the EU;
- To grant Patent law protection to computer-implemented inventions.

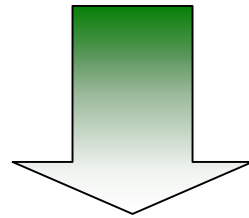
Patent as a means to protect new technologies?

Under the Proposal of Directive:

Any computer-implemented invention is patentable on the condition that it is susceptible of industrial application, is new and involves an inventive step.

Patent as a means to protect new technologies?

Under Article 3 of the Proposal of Directive computer-implemented inventions are considered to belong to a field of technology.



Grant of “technical character” to computer-implemented inventions, which is required to be a patentable invention;

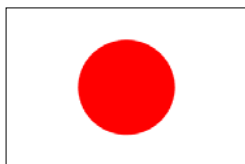
Recognition that software is a new technological field.

Protection of new technologies

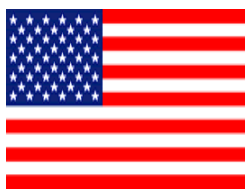
Protection of inventions under patent law in the EU, Japan and USA.



There has to be a “technical contribution” provided by the invention;

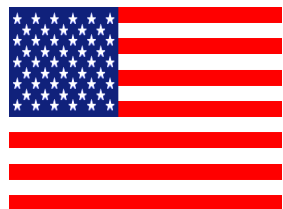


The invention has to be a highly advanced creation of technical ideas by which a law of nature is utilised;




The invention must simply be within the technological arts but no technological contribution is required.

Protection of new technologies

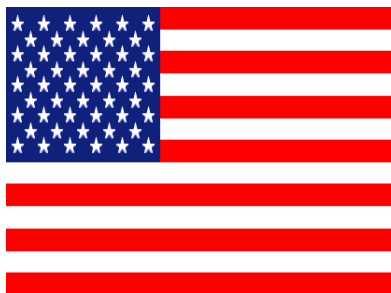


According to US patent law, the mere fact that the invention uses a computer or software makes it become part of the technological arts if it also provides a “useful, concrete, tangible result”.

 The “One-click” patent granted to Amazon.com is raising a considerable fuss regarding the US. patent law requirements.




Protection of new technologies



The global character of the Internet confronted with the more flexible regime arising from the US patent law puts European companies in a competitive disadvantage in comparison with US companies.

Protection of new technologies

Advantages of patentability of new technologies

 “Patentability of computer program related inventions has helped the growth of the computer program related industries in the US, in particular the growth of SMEs and independent software developers into sizeable indeed major companies”.


Source “The Economic impact of Patentability of Computer Programs, Intellectual Property Institute, London, March 2000

Protection of new technologies - SMEs

SMEs advantages in seeking IP protection over its products:

- 📄 Preventing competitors from copying or closely imitating a company's inventions;
- 📄 Avoiding wasteful investment in R&D;
- 📄 Exclusive exploitation of the invention.

Usage of patent documentation

 Consultation of patent documents is a valuable source of technical knowledge of inventions owing the published information in these documents.

Protection of new technologies

Strategies to protect new technologies

- 📄 Consideration of the patentability of the invention;
- 📄 Registry of the patent in one country party to the Paris Convention;
- 📄 Make public certain aspects of the idea without registering the patent;
- 📄 Keep the idea secret;
- 📄 Registry as copyright.

Protection of new technologies - Patent

Strategies to protect new technologies

Consideration of the patentability of the invention
(idea)

- 📄 Companies shall consider the likelihood of an invention or idea to be granted a patent;
- 📄 Main requirements for a patent to be awarded have to be carefully taken into account, i.e., novelty.

Protection of new technologies - Patent

Strategies to protect new technologies

Registry of the patent in a country party to the Paris Convention

- Registry of the patent is made in a country party to the Paris Convention;
- The choice of the country where the registry is made shall be made in accordance with the companies commercial strategy;

Protection of new technologies - Patent

- 📄 Avoid risks entrusted in the patent application process, i.e., not being accepted in certain countries owing the lack of harmonisation;
- 📄 Applicant will be observing the relevant countries for 12 months to prevent imitations of the original idea. Over this period of time the priority right conceded under Article 87 EPC can be used.

Protection of new technologies - Patent

Strategies to protect new technologies

Make public certain aspects of the idea

- ❏ No patent application is made;
- ❏ The release of the idea is not made in its entirety;
- ❏ Therefore, the idea is not novel and cannot be patented by anyone else;
- ❏ Save the costs of registry of the patent.

Protection of new technologies - Patent

Strategies to protect new technologies

Keep the idea secret

- ❏ No patent application is made and therefore there are no patent costs;
- ❏ Protection can last forever;
- ❏ Risks are associated are basically concerned with ex-employees that can disclose the invention and to competitors, that can learn about it.

Protection of new technologies - Patent

Strategies to protect new technologies

Registry as copyright

- ☞ Copyright does not protect concepts or ideas, but only the way in which they are expressed;
- ☞ Similar degree of protection as that conferred by patent in what concerns to the right of exclusive exploitation;
- ☞ Less registration costs;
- ☞ Copyright arises automatically and not with the registry.