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Enlarged Board of Appeal
European Patent Office
Erhardtstraße 27
D-80331 MÜNCHEN
Germany

Subject:
"Amicus Curiae Brief" for case G3/08

Workum, 7 April 2009

Dear Sirs,

We appreciate the opportunity given to file a third party "written statement" with some observations on the referral of a number of questions on the limits of software patentability to your board by the EPO President in October 2008.

ScriptumLibre's prime concern is the limited scope of the questions asked in the referral. While the introductory summary mentions that there is an argument that "some of the decisions of the boards of appeal have given too restrictive an interpretation of the breadth of this [...] exclusion", perhaps suggesting that attention must be paid to the economic appropriateness of software patents, the actual questions focus on a number of very specific legal details, notably on the technology test and related topics.

While your Board obviously must operate within statutory bounds, the unavoidable question is why software patents are so controversial. On the one hand, it is argued that "computer implemented inventions" are not fundamentally different from inventions that always have been patentable, on the other hand software patents are widely seen as a threat rather than a benefit for innovation. Leading economists have demonstrated that software is actually a field where the infamous "patent paradox" is most obvious:[1] the phenomenon that increased patent propensity coincides with decreased R&D investments. In this field, patents replace rather than complement R&D. While a reduction of administrative burden for firms is generally seen as desirable to foster innovation,[2] the administrative burden of patents apparently escapes the attention of policy makers.

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1 James Bessen & Eric Maskin, 'Sequential Innovation, Patents and Imitation', revised 2006.
   <http://www.researchoninnovation.org/patrev.pdf>

2 See e.g. 'Administrative burdens', <http://ec.europa.eu/enterprise/admin-burdens-reduction/home_en.htm>

The questions submitted by the EPO President focus on the technical content (in whatever form) of patent applications. While "EPC 2000" that went into force late 2007 indeed codifies that "European patents shall be granted [...] in all fields of technology [...]",[3] there is still no ground to assume that the statutory exclusion of "programs for computers as such"[4] does not apply to sufficiently technical applications, as the EPO always assumes. This interpretation is not supported by the legislative history of the EPC: the addition of the words "as such" only intended to call for a restrictive interpretation of the exclusion.[5] In particular the EPC framers wanted to avoid the impression that the exclusion of "programs for computers" should a contrario be interpreted less restrictively than the other exclusions, all restricted by the "as such" proviso.

Actually even the EPO has implicitly admitted that the technical content is not decisive: on the one hand, the "further technical effect" requirement was introduced because an ordinary technical effect would not be sufficient,[6] on the other hand, patent applications that otherwise would not be deemed "technical" were accepted merely because the applicant had to apply "technical considerations".[7] It seems that the technical content requirement – in whatever form – actually is not a reason by itself, but an indirect means to exclude certain subject-matter. As a British court noted,[8] the technology requirement is actually a "restatement of the problem in more imprecise language". It is generally accepted that overly abstract subject-matter is not patent-eligible, but "abstract" is not necessarily the opposite of "technical".

In our perception, it would be useful to step back from the technology requirement, and to question whether software patent applications actually fulfil other basic patentability requirements. Is the inventive step criterion properly applied, if there is a widespread fear of independent rediscovery? Do software patent applications properly disclose solutions for a "person skilled in the art", or do they basically make "reservations in competition space" for the solution of certain problems? As an American court once aptly noted, a patent should not be a "hunting licence", but refer to specific applications.[9] It is remarkable that software developers usually do not consult patent databases

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3 Art. 52(1) EPC.

4 Art. 52(2c) and (3) EPC.

5 Gert Kolle, 'The Patentable Invention in the European Patent Convention', *IIC* 1974, p. 140-156; Justine Pila, 'Article 52(2) of the Convention on the Grant of European Patents: What Did the Framers Intend? A Study of the Travaux Preparatoires', *IIC* 2005, p. 755-787.

6 BoA 1 July 1998, case T 1173/97, *OJ* 1999, p. 609-632, *IIC* 2000, p. 189-198 (*IBM/Computer Program Product I*).

7 BoA 31 May 1994, case T 769/92, *OJ* 1995, p. 525-544, *IIC* 1996, p. 373-374 (*General-Purpose Management System/SOHEI*).

8 Patents Court 21 July 2005, case [2005] EWHC 1589 Pat, *RPC* 2006, p. 5, nr. 14 (*CFPH*). This decision quotes a German decision that made similar observations: BGH 11 May 2000, case X ZB 15/98, sub II)1)c)bb)(1), *IIC* 2002, p. 343-348 (344-345) (Speech Analysis Apparatus; with comment by Jürgen Betten).

for inspiration and education: the reuse cost is higher than the cost to develop the same solution again.[10] A basic justification of patents is the "quid pro quo" principle: a patent grants an exclusive right in return for a supposedly valuable disclosure. But in practice, software patents often only serve the interests of patent owners for the protection against competition, and the claims usually are phrased for maximum legal protection rather than for maximum technical clarity.

Obviously, not all "software patents" suffer from such shortcomings. In our perception, the distinction between patentable and unpatentable software-related subject-matter should be made on the basis of criteria related to the above problems. They relate to a balance of interest – and in law, interpretation should preferably be based on a balance of interest, rather than a cumbersome search for the essence of the technology concept.

Another comment to be made is that the questions concentrate on the form of the claims. Of course, eventually the claims are decisive for the scope of protection.[11] And patent examiners should have strict rules to assess patent applications on the basis of claims. But there is an important caveat. Both in case law,[12] and in literature[13] there are strong warnings not to focus on the wordings, but on the actual purport of the claims. The patentability of software obviously should not merely depend on the skill of the patent agents to use the right wordings.

The debate about software patentability limitations lasts for several decades already, and the EPO has always promoted the technology requirement,

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9   CCPA 21 March 1966, 86 *S.Ct.* 1033, 383 *U.S.* 519, 16 *L.Ed.*2d 69, 148 *U.S.P.Q.* 689 (*Brenner v. Manson*).

10 Committee on intellectual property rights and the emerging information infrastructure, *The digital dilemma: intellectual property in the information age.*Washington, DC: National Academy Press, p. 197-198.

11 Art. 69 (1) EPC

12 In particular, the following two decisions from the EPO member states are often cited: BGH 22 June 1976, case X ZB 23/74, *IIC* 1977 p. 558-565 (560) (*Disposition Program*): the processing execution, does not change anything: it is not the linguistic form which is decisive as to whether or not a teaching is of a technical nature, but its substantive content. ("Nicht die sprachliche Einkleidung entscheidet darüber, ob eine Lehre technischer Natur ist oder nicht, sondern ihr sachlicher Gehalt.") Also: Court of Appeal 21 April 1989, *RPC* 1989, p. 561 (569) (*Merrill Lynch*): "[I]t cannot be permissible to patent an item excluded by section 1(2) [the equivalent of art. 52(2) EPC in the UK Patents Act] under the guise of an article which contains that item -- that is to say, in the case of a computer program, the patenting of a conventional computer containing that program." Even the United States Supreme Court warns not to "exalt form over substance" in a similar context: U.S. Supreme Court 22 June 1978, 437 *U.S.* 584, 590, 198 *USPQ* 193 (*Parker v. Flook*).

13 Gert Kolle, 'Technik, Datenverarbeitung und Patentrecht - Bemerkungen zur Dispositionsprogramm-Entscheidung des Bundesgerichtshofs', *GRUR* 1977, p. 58-74 (64): the drafting skills (*Formulierungskünste* in German) of the patent agent should not be decisive. Similarly: President's Commission on the patent system, *To promote the progress of ... useful arts, in an age of exploding technology. Report of the President's Commission on the patent system.* 1966, p. 14.

following a German tradition that predates the EPO. Is it really appropriate to make yet another attempt to refine the technology criterion, or should we perhaps conclude that the present approach is in a dead-end street?

ScriptumLibre believes that the age-old software patentability delimitation problem can only be solved if the problem is not reduced to the question when a patent application is sufficiently "technical". And perhaps the focus should not even be on the alleged special nature of software. There is an increasing number of patents that do not fulfil their social purpose, and actually a more thorough test for conformance to the other – present – legal requirements may suffice to prevent undesirable patents. For instance, the disclosure may be insufficient,[14] which may be a sign that the invention itself was actually insufficiently elaborated.

Of course, we would be pleased to answer any questions on our – perhaps unusual – proposal.

On behalf of ScriptumLibre Foundation,

Wiebe van der Worp, chairman

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http://www.scriptumlibre.org/Amicus_Curiae_Enlarged_Board_of_Appeal

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14 Art. 83 EPC.