Copyright or Patent – how to protect my software?

Case:

We are an SME involved in an FP7 research and development project, which produces hardware and software equipment in the field of electromobility. We have developed a variety of products and we need advice concerning the intellectual property rights protection of our software. We would like to know whether it is possible to protect an algorithm, which controls the management of our hardware equipment, while at the same time keeping it secret.

Answer:

On the European level, Directive 2009/24 seeks to harmonise Member States’ legislation in the field of legal protection of computer programs by defining a minimum level of protection. Member States protect computer software as such by copyright, by analogy to the protection given to literary works within the meaning of the Berne Convention for the Protection of Literary and Artistic Works.

To enjoy copyright protection, no registration or other formality concerning software is required. Copyright protection is granted from the sole fact of the creation of the computer program.

Copyright protection extends to any element of expression of the creativity of its author but not to the ideas behind it, procedures, methods of operation, or mathematical concepts as such.

In other words, an algorithm is not eligible for copyright protection, because it will be considered to be of a factual nature, and therefore not an expression of the creativity of its author.

Following the aforementioned, copyright will protect only the computer program in the form written by a programmer i.e. its source code. Neither the functionality of a computer program, nor the programming language nor the format of data files used in a computer program in order to exploit certain of its functions constitute a form of expression of that program, and thus these are not protected by copyright.

Article 52 of the European Patent Convention excludes software from patentability to the extent that a patent application relates to a computer program as such. A distinction shall, however, be made between “software patents” which are excluded according to Article 52 EPC and so-called computer-implemented inventions which are accepted at the European Patent Office. In this respect, “computer-implemented inventions” can be defined as inventions whose implementation involves the use of a computer, a computer network or other programmable apparatus, having one or more features realised by means of a computer program. It seems, therefore, that patentability must not be denied merely because a computer program is involved. You could seek a patent protection, provided that the subject matter of your invention as a whole, i.e. a machine with related software, has a technical character - this technical character must be present in all variants covered by the patent claim.
If your new program managing your hardware device fulfills the above-mentioned requirements of technical character and inventive step, and additionally is new and undisclosed, you may try to obtain a patent protection on a national, regional or international level.

Do not forget, however, that in order to obtain patent protection, the claims must contain a detailed description of the invention so that a person skilled in the art is able to reproduce the invention. The patent application will then be published - usually 18 months following the filing date. As you can see, this means that once you file a patent and your patent application is published, you will not be able to resort to trade secrets to protect the information contained in the application: this will be publicly accessible. In other words, part of your IP protection strategy will be to define which protection route is most suited to your patentable results: patent protection, or trade secret protection.

The European Patent Office (EPO) offers a very simplified way to apply for a patent thought a unique patent application. An applicant for a European patent designates those Contracting States in which protection for the invention is desired. However, after grant a European patent is not a unitary right, but a group of essentially independent nationally-enforceable, nationally-revocable patents in each contracting state.

You can also file an application under the PCT (Patent Cooperation Treaty). The PCT allows owners of inventions seeking patent protection in several countries to file a unique “international” patent application simultaneously selecting several countries where they wish to get patent protection. The PCT does not provide for a grant of an international patent, and the grant of patents is the prerogative of each national or regional authority. PCT applications can be filed directly at WIPO or at national patent offices. Alternatively, in the EU it is also possible to file such an application through the European Patent Office (EPO).

Finally, you may also apply for national patents in the national IP offices of the individual countries of interest. Particular national intellectual property offices will provide you with relevant information concerning the formal requirements to be fulfilled to obtain national patent protection.

Since the eventual patent protection involves expensive and long-lasting procedures, before taking specific action you should seek independent legal advice.

If your “algorithm, which controls the management” of your hardware does not meet the requirements for protection by any of the aforementioned intellectual property rights (copyright or patent), it would then be generally recommended to ensure that your valuable asset is kept secret, as secrecy might provide the only possible protection for it. Such valuable information would then only be used and disclosed within a restrictive framework, usually referred to as “confidentiality management mechanism”.

Confidentiality would usually be managed using contractual tools – in the form of non-disclosure or confidentiality agreements (NDAs) or confidentiality clauses included in contracts.

NDAs will allow you to define exactly what information and findings are to be kept confidential by the parties. They will also allow you to set out the purpose for which the information was disclosed and thus to restrict its further use only to such purpose.

Such NDAs can be signed with subcontractors, negotiation partners, licensees, etc. and/or your employees, who will then become contractually bound by an obligation of confidence. As regards agreements or clauses signed by employees, it is usually recommended to provide for an obligation
of confidentiality both during the term of their employment and after its termination.

Unauthorised disclosure of an algorithm (or disclosure for unauthorised purposes) by the signatories of a confidentiality clause or agreement would result in a breach of contractual obligations, and would therefore allow you to claim damages or injunctions (or any other remedies provided by the applicable law).

You should think about what kind of protection fits better in relation to your creation before you start acting appropriately. In the case of doubt, you should consult a specialist lawyer.