BY LUIS C. SCHMIDT AND CESAR RAMOS, JR.

PARTNERS

REPORT Q 133 IN THE NAME OF THE MEXICAN GROUP, AIPPI 1997

A) LEGAL SITUATION IN THE COUNTRY IN QUESTION:

A) DOES NATIONAL LAW EXPRESSLY EXCLUDE PROTECTION FOR SOFTWARE BY MEANS OF A PATENT?

Yes it does. The patent Law establishes that for inventions it shall be understood "every human creation which allows for the transformation of matter or energy existing in nature, for its utilization by man and to satisfy man's specific needs". The Law of Industrial Property (LIP) considers the following to be patentable inventions:

"Eligible for patent protection are inventions that are new, the result of an inventive activity and susceptible of industrial application in the terms of this law, except:

I. essentially biological processes for the production, reproduction and propagation of plants and animals;

II. biological and genetic material as it is found in nature;

III. animal breeds;

IV. the human body and the parts that make up the human body; and

V. plant varieties.

Finally, the LIP establishes in Article 19 that the following does not represent inventions in terms of the statute:

I. scientific and theoretical principles;

II. discoveries of something previously existing in nature;

III. schemes, plans rules and methods for carrying out mental acts, games or business;

IV. computer software;

V. forms of presenting information;
VI. aesthetic creations, artistic and literature works; and
VII. diagnostic therapeutic and surgical methods for the treatment of humans and animals.
As it can be noticed, computer software was included in the list of those elements that the LIP excludes as being inventions. Thus lack of protection of this form of creation is express and radical.

B) DOES CASE LAW IN CERTAIN CASES ACCEPT SUCH PROTECTION AND UNDER WHAT CONDITIONS?

Under the above mentioned rule it is absolutely clear that computer software per se would not be qualified as statutory subject matter. However, patent protection has been conferred by the Mexican Patent Office (IMPI) to the so called software related inventions, with the limitation that claimed subject matter interacts or produces effect on objects, substances or processes in a physical environment, or if on the other hand, the claimed invention has some technical application or utility even if it is essentially mathematical or abstract in nature.
And what is the current trend in case law and doctrine?
It still would remain to be seen how broadly the IMPI and the Courts will interpret the computer software prohibition. At this time it seems that the trend is to keep computer software per se as a non statutory subject matter.

C) IF PROTECTION FOR SOFTWARE BY MEANS OF *A* PATENT SHOULD BE ACCEPTED, WOULD IT BE NECESSARY TO ALTER THE LAW OR WOULD IT BE ENOUGH TO ALTER INTERPRETATION OF THE LAW BY THE COURTS?

In our opinion, *in* order to allow possibility of rescuing patentability of computer software per se the LIP should be modified for at least deleting the computer software as "non-invention" rule.
On the other hand, it would also be necessary to at least alter the interpretation of industrial activity.

B) WHAT ARE THE PROBLEMS RAISED BY PATENTABILITY OF SOFTWARE?

1. THE DEFINITION OF PATENTABLE SOFTWARE:

IS IT POSSIBLE TO GIVE A GENERAL DEFINITION OF PATENTABLE SOFTWARE? IF IT IS NOT POSSIBLE TO GIVE SUCH *A* DEFINITION, IS IT POSSIBLE TO DISTINGUISH THE ELEMENTS OF PATENTABLE SOFTWARE FROM THOSE WHICH CAN BE PROTECTED BY MEANS OF COPYRIGHT?

We would consider very difficult finding a definition of patentable software, as it has been noticed by AIPPI. Notwithstanding the trends, it is at present time impossible reaching a uniform position on whether patent protection should be conferred to software or not. However, at least at present we believe it is possible to draw a division line between the copyrightable and the patentable that would be satisfactory in general terms. In our opinion, if patentability of software would be accepted it would be difficult to determine the difference between the copyrightable and the patentable. We even see the dividing line as needless assuming that patent law will be made available to computer software sometime in the future, we would believe that copyright should still represent an alternative form of protecting the form of expressing the ideas that circumvent the program itself as well as the aesthetic presentation thereof. In other words, we would not see incompatibility between the two systems of protection, which could nicely operate on an alternate basis.

2. THE SUBJECT OF PROTECTION:

A) IF PATENTABILITY OF SOFTWARE IS ADMITTED, AT WHAT LEVEL OF CONCEPTION CAN SUCH SOFTWARE BE THE SUBJECT OF A PATENT? IN OTHER WORDS, CAN THE SUBJECT OF A PATENT RELATE TO FUNCTIONAL ANALYSIS, THAT IS TO SAY, THE ELEMENTS INVOLVED IN PREPARATORY CONCEPTION OF THE SOFTWARE, OR IN CONTRASTS THAT SUBJECT TO BE LIMITED TO THE ELEMENTS EMBODYING THE SOFTWARE?

We do not consider that the subject of a patent should be limited to the elements embodying the software since such elements constitute nothing more than a carrier. In our opinion, in order to determine the patentability of software, special attention should be given to the stage of conception, including a deep functional analysis of all the elements involved in preparatory conception and even of the elements involved in reduction to practice.

B) TO ADMIT PATENTABILITY OF SOFTWARE IS IT NECESSARY TO DISTINGUISH BETWEEN THE DIFFERENT TYPES OF SOFTWARE SUCH AS BASIC SOFTWARE WHICH IS INTEGRATED IN MACHINES, OPERATING SOFTWARE PROVIDING A USER-MACHINE DIALOGUE, APPLICATION SOFTWARE OR INTEGRATOR SOFTWARE PROVIDING FOR COMMUNICATION OF AN APPLICATION SOFTWARE TO ANOTHER, ETC.?

The distinction between the different types of software could be helpful for classification purposes, but as long as the computer software meets with the patentability criteria no distinctions should be made.

3. THE NOTION OF TECHNICAL OR INDUSTRIAL CHARACTER:

IF PATENTABILITY OF SOFTWARE IS ADMITTED THE FIRST CONDITION TO BE FULFILLED BY THE SOFTWARE IS THAT IT IS TO BE OF A TECHNICAL CHARACTER. HOW IS THE TECHNICAL CHARACTER OF SOFTWARE TO BE DEFINED? TWO SERIES OF QUESTIONS CAN BE RAISED ON THIS SUBJECT.

A) DO PURELY ABSTRACT DATA HANDLING OPERATIONS COMPLY WITH THE CONDITION OF TECHNICAL CHARACTER?

We would not realize that the mere handling of abstract data would meet the requirement of the invention having a technical character (capability of industrial application) as it should be understood. Even if the legal definition of "industrial application" or its interpretation would be modified, we should disregard any possibility that the handling of abstract ideas would be protected. In order to be patentable, the computer software should represent transformation of data, but also the obtention of a tangible result, notwithstanding the likelihood to represent that result in the form of a screen display.

B) CAN THE MERE FACT OF PRESENTING INFORMATION IN DIGITAL FORM ON A DISKETTE OR A CD-ROM BE CONSIDERED AS PATENTABLE? LS SUCH AN INFORMATION SUPPORT TO BE TREATED DIFFERENTLY FROM A CONVENTIONAL PAPER SUPPORT? HOW ARE INFORMATION SUPPORTS WHICH INVOLVE A TECHNICAL CHARACTER TO BE DISTINGUISHED FROM THOSE WHICH, WHEN THEY ARE CARRIED INTO EFFECT, PRODUCE ONLY PURELY AESTHETIC EFFECTS?

Patents should not be awarded to computer programs by the mere fact that information is presented in digital form, on a diskette, CD-ROM, or any other type of objective form.

C) IN GENERAL TERMS, IS THE NOTION OF INDUSTRIAL CHARACTER, WHICH IS CONVENTIONAL IN PATENT LAW, APPLIED DIRECTLY TO PATENTABILITY OF COMPUTER PROGRAMS, OR IN CONTRAST IS TO BE ADAPTED IN RELATION TO SUCH INVENTIONS?

As discussed above, it would be necessary to at least alter the interpretation of industrial activity contemplated by the Mexican Law.

4. THE REQUIREMENT FOR DESCRIPTION:

IF PATENTABILITY OF SOFTWARE IS ADMITTED, THE MINIMUM CONDITION IS FOR THE DESCRIPTION OF THE PATENT APPLICATION TO BE SUFFICIENT FOR A MAN SKILLED IN THE ART TO BE ABLE TO CARRY THE INVENTION INTO EFFECT. THAT QUESTION IS NOT TRULY A NEW ONE AS IT ALREADY ARISES IN RELATION TO PATENTS CONCERNING INVENTIONS USING A COMPUTER PROGRAM, WHICH CORRESPONDS TO THE SITUATION OF INVENTIONS WHICH ARE CURRENTLY RECOGNIZED AS PATENTABLE. HOWEVER, IF A COMPUTER PROGRAM IN ITSELF CONSTITUTES THE SUBJECT OF A PATENT, SHOULD NOT PARTICULAR RULES CONCERNING THE DESCRIPTION BE ENVISAGED? THE DIFFICULTIES INHERENT IN PRIOR-ART SEARCHES IN THIS AREA SHOULD ALSO NOT BE FORGOTTEN.

A) IS IT SUFFICIENT TO INDICATE A SIMPLE FLOW CHART IN THE DESCRIPTION OF A PATENT APPLICATION, LEASING TO THE MAN SKILLED IN THE ART THE TASK, BY A SIMPLE PERFORMANCE MEASURES, OF PRODUCING THE PROGRAM WHICH CAN BE USED BY A CORRESPONDING MACHINE?

In our opinion, simple flow charts would not represent sufficient indication for assisting the examiner in the analysis of the invention, and thus the granting of a patent. Under Mexican Patent Law, the inventor would be required to provide a detailed analysis of the elements involved in the preparatory conception of the software as well as the elements embodying the software. In addition, inventor is required to describe the best mode for carrying out the invention, by including all possible information related to the program in a complete and detailed form, as well as with the adequate performance of the program as an invention.
It is not considered to be appropriate that basic principles of patent law are modified with the sole purpose of granting protection to software. Accordingly, patent protection should not be extended to software per se if it would not meet the standards, requirements and rules in the patent law.

B) OR IN CONTRAST IS IT NECESSARY TO PROVIDE ALL THE INFORMATION RELATING TO THE PROGRAM IN FULLY DETAILED MANNER?

See point 4 a) above.

C) WOULD IT BE DESIRABLE TO STANDARDIZE THE PRESENTATION OF PROGRAMS OR EXTRACTS FROM PROGRAMS, FOR EXAMPLE IN THE FORM OF A MAGNETIC SUPPORT, TO PERMIT SUBSEQUENT PERFORMANCE? IT CAN BE OBSERVED THAT THERE ARE ALREADY PROVISIONS REQUIRING THE PEOPLE DRAFTING PATENTS TO SUPPLY DISKETTES IN AN AREA WHICH IS AS DIFFERENT AS THAT OF SEQUENCES OF AMINO ACIDS.

Yes, it would be desirable to standardize the presentation of programs or extracts of programs, with the purpose to have an easy access to the information contained therein. The existence of legal provisions in other different laws such as copyright should work as a supporting tool for the standardization in the presentation of the programs or its extracts.

D) ARE THE LISTS OF INSTRUCTIONS WHICH CONSTITUTE THE PROGRAM IN THE TRUE SENSE TO BE PROVIDED IN THEIR TOTALITY OR ONLY IN THE FORM OF EXTRACTS PERMITTING IDENTIFICATION OF THE PROGRAM, AS IS ALREADY DONE FOR PROTECTION BY MEANS OF COPYRIGHT IN SOME COUNTRIES?

The most important form of disclosing the best mode in the performances of the program as invention, if not the only one, would be definitively to file the lists of instructions backing it. The filing of such lists, presented in the form of diskettes, would represent the best standard on which to rely for presenting information about the program. Additionally, it would be worthwhile to rely on extracts that would allow identification of the program, particularly concerning prior art searches, investigations, and even the publication of the invention.

5. THE DRAFTING OF THE CLAIMS:

IT IS NECESSARY TO LAY DOWN PARTICULAR RULES FOR THE DRAFTING OF CLAIMS DETERMINING THE SCOPE OF A PATENT RELATING TO THE PROGRAM IN ITSELF?

Yes, it would be convenient indeed. Such particular rules for the drafting of claims would represent the most adequate framework assisting examiners to apply standards in the way that computer program would be claimed, as well as the scope of the corresponding claims.

6. ASSESSMENT OF INVENTIVE ACTIVITY:

IS THE CONVENTIONAL NOTION OF NON-OBVIOUSNESS IN PATENT LAW DIRECTLY APPLICABLE IN REGARD TO ASSESSING THE PATENTABILITY OF PROGRAMS?

The expression "inventive step" is equivalent to "non-obvious" under Mexican Law. In our opinion that term is somewhat more flexible, and would probably apply in respect to patentability of software However, due to reasons explained above, it still would need some adjustment to properly include software as subject matter of protection.

7. PRIOR-ART SEARCHES:

IT WOULD BE APPROPRIATE TO *SHOW* THE DIFFICULTIES WITH WHICH THE *OFFICES* WOULD BE FACED IN CARRYING OUT PRIOR ART SEARCHES IN THE AREA OF PATENTS COVERING SOFTWARE. AS INDICATED ABOVE, DO NOT THOSE SPECIFIC DIFFICULTIES RESULT IN THE OBSERVATION OF CERTAIN RULES IN TERMS OF PRESENTATION OF THE DESCRIPTION AND CLAIMS OF PATENT APPLICATIONS?

Patent Offices would have difficulties for conducting prior art searches in the field of software. Legal provisions related to description and claims establish obligation on behalf of applicant to absolutely include every single precedents

that could represent the prior art in regard to a particular program and that would be related therewith. The Patent Law could be amended with a cancellation provision applicable in the event that the foregoing requirement has not been fulfilled. Perhaps, this could work out even better under opposition systems, as it would permit third parties to bring prior art that could have been not identified in official searches, all this before the patent would be granted.

8. EXERCISE OF THE RIGHTS:

DO YOU THINK THAT PARTICULAR PROBLEMS WOULD ARISE IN REGARD TO EXERCISE OF THE RIGHTS OF PATENTS PROTECTING SOFTWARE? FOR EXAMPLE, WITHIN THE CONTEXT OF APPLYING THE RULES RELATING TO COPYRIGHT, IT IS ACCEPTED THAT INTERFACES PERMITTING INTEROPERABILITY, THAT IS TO SAY THE CIRCULATION OF ITEMS OF INFORMATION FROM ONE PROGRAM TO ANOTHER, CAN BE FREELY REPRODUCED. SHOULD PROVISION ALSO BE MADE FOR EXCEPTIONS WITHIN THE FRAMEWORK OF THE RIGHTS AFFORDED BY A PATENT COVERING A PROGRAM IN ITSELF?

We would not have a doubt that different particular problems would arise to exercise of the rights of patents protecting software, as it has been the case of copyright law. However, the idea to use the patent system for protecting software would be that the scope of protection of the program itself increases much more as in case of copyright law. Otherwise, it could be pointless considering the possibility of including software as a patentable subject matter, which as it has been said along this report, it would finally require major modification of the general principles in patent law, and the provisions in the law.

9. DOUBLE PROTECTION BY COPYRIGHT AND A PATENT:

DO YOU ALREADY HAVE KNOWLEDGE OF PROGRAMS WHICH MAY ARISE BY VIRTUE OF THE POSSIBILITY OF PROTECTING SOFTWARE BOTH BY MEANS OF COPYRIGHT AND BY MEANS OF PATENTS? IN THE ABSENCE OF EXPERIENCE, WHAT ASSUMED PROBLEMS COULD OCCUR?

In Mexico there is no experience in applying a double system comprising copyright and patent law. As mentioned above, patent law would emerge to offer protection in those aspects or portions of the programs which are functional, and that copyright law has been incapable to protect. Governments and judicial systems in many countries have sought to adapt copyright principles to the particular case of software. There is no question at present that under practically every legislation in the world, reproduction of source and/or object code of a program may represent infringement of copyright rights, in the absence of proper consent. Mexican Copyright Law has proved to be the best form of protecting software in these cases. Besides, application of fundamentals of copyright law to software, such as registration procedures, have resulted determinant factor of increased and adequate protection .
In addition to the "literal" copying of computer programs, legislations and Courts have applied copyright principles in order to protect the "non-literal" reproduction of programs. Copyright protection in the structure, sequence and organization of programs would represent the most significant example of the foregoing. Also, they have used copyright law for protecting the so-called "look and feel" of screen displays. Notwithstanding such achievements, it has been now considered that Patent Law would be more effective in protecting the functional aspects of the programs, which is something that copyright law would definitively be unable to offer. We thus believe that the best would be that patent and copyright principles are alternatively applied to software and that it would be decision of applicants to chose for one or the other, or even both.

C) WHAT IS THE WISH OF THE NATIONAL GROUPS?

DO THE NATIONAL GROUPS WANT PROTECTION FOR SOFTWARE BY MEANS OF A PATENT TO BE ACCEPTED?

THE GROUPS ARE INVITED TO SET OUT THE ARGUMENTS IN SUPPORT OF THEIR POSITION WHETHER THE ANSWER IS IN THE POSITIVE OR THE NEGATIVE, WHILE ANALYZING THE ADVANTAGES AND DISADVANTAGES INVOLVED?

Mexican Group position has been expressed all along the present document and that will be summarized hereunder.

SUMMARY

MEXICAN PATENT LAW EXPRESSLY EXCLUDES COMPUTER SOFTWARE AS PATENTABLE SUBJECT MATTER; IT EVEN DISQUALIFIES IT AS A FORM OF INVENTION. HOWEVER, PATENT PROTECTION HAS BEEN CONFERRED BY THE MEXICAN PATENT OFFICE TO THE SO-CALLED SOFTWARE RELATED INVENTIONS UNDER PARTICULAR CIRCUMSTANCES. IN CASE THAT THE PATENT LAW IS BEING CHANGED FOR ALLOWING PATENTABILITY OF SOFTWARE PER SE, IT WOULD REQUIRE TO DELETE THE "NON-INVENTION" RULE. IT ALSO WOULD BE NECESSARY TO AT LEAST ALTER THE INTERPRETATION OF INDUSTRIAL ACTIVITY, AS WELL AS STANDARDIZING THE REPRESENTATION OF INVENTIONS, THE DRAFT OF CLAIMS, THE DESCRIPTION OF THE INVENTION, AND CLEARLY DETERMINE ON WHICH SUPPORTING MATERIAL TO RELY, AND WHAT THE CRITERION OF BEST MODE TO CARRYING OUT THE INVENTION. AS TO THE ISSUE OF DOUBLE PROTECTION OF COMPUTER SOFTWARE, FIRST OF ALL IT WOULD BE SOMEWHAT DIFFICULT IMPOSING A DIVIDING LINE BETWEEN THE COPYRIGHTABLE AND THE PATENTABLE, WHICH BY THE WAY COULD BE EVEN NEEDLESS. ASSUMING THAT PATENT LAW WOULD BE MADE AVAILABLE TO COMPUTER SOFTWARE SOMETIME IN THE FUTURE, COPYRIGHT SHOULD STILL REPRESENT AN ALTERNATIVE FORM OF PROTECTION, AS THERE ARE NO SUBSTANTIAL INCOMPATIBILITIES, AND CAN WORK ALTERNATIVELY, BEING THE DECISION OF APPLICANTS TO CHOSE FOR ONE OR THE OTHER, OR STILL BOTH.