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The explosive growth of the internet has triggered the ongoing development of a huge variety of software programs used for a multiplicity of business methods and processes. In the United States, the *State Street* (*State Street Bank & Trust Co v Signature Financial Group Inc.*, No. 96-1327 (Fed Cir July 23, 1998) original case 927 F Supp 502, 38 USPQ2d 1530 (D Mass 1996) decision has substantially modified the traditional approach towards business methods and software related inventions considering that such inventions should no longer be excluded in principle from patent protection, provided that the claimed subject matter fulfils the traditional criteria for patentability.
While in the United States the software and business method exception has been a judicially-created exception to statutory subject matter, in Mexico Article 19 of the Industrial Property Law (IPL) explicitly excludes methods for doing business and programs for computers from patentability considering that the same are not regarded as inventions:
ARTICLE 19. For the purposes of this Law, the following shall not be deemed as inventions:
III Schemes, plans, rules and methods to carry out mental acts, games or businesses and the mathematical methods;
IV Computer programs
On the other hand, it has been established by the Mexican Institute of Industrial Property (IMPI) as a non-written rule that in order to be patentable, an invention must have a technical and tangible effect.
Thus, at a first glance it could be said that the IPL legal provisions and the interpretation thereof by IMPI with regard to business methods and computer programs are quite different from those in the United States. However, the practice with respect to patentability of these types of inventions during recent

years has shown that IMPI is in fact allowing patents in these fields of technology.
Even though no case law or guidelines had been developed in Mexico in connection with the patentability of computer programs and business methods, the criteria adopted by IMPI for allowing these types of cases establish that the invention is patentable as long as the computer program or the business method is not claimed *per se* and that a technical, concrete and tangible effect is obtained by using the invention. In other words, if the claims merely recite the steps for conducting a business method the same will not be deemed as patentable, but if the claims recite the software and/or method of doing business on a communication network wherein steps include network transmission steps, etc and the invention meets the novelty, inventive activity and industrial application requirements then the invention should be considered as patentable.
Additionally, Article 27 of the TRIPs agreement, which defines the subject matter of patentable inventions, does not provide any exclusion of patentability other than those exclusions based on public order or morality, or for diagnostic, therapeutic and surgical methods, as well as for plants and animals. Thus, it may be deduced that TRIPs does not provide any prohibition for patentability of software or business methods, as long as they fulfil the traditional requirements of patentability.
The validity and scope of protection of computer-related inventions, business methods and e-commerce patents in Mexico are still to be tested before IMPI and the courts as no experience exists with patents granted for these field of technology. In any event, it would be advisable to file patent applications in Mexico for important internet, e-commerce, financial or banking related inventions which comply with the novelty, inventive activity and industrial application requirements.

COPYRIGHT LAW

The internet has also affected copyright law in various different forms, by raising the most challenging and interesting questions and issues. Although principles, including those resulting from the Berne Convention, have remained the same, countries have been calling for new rules asserting copyright rights on the internet, as well as legal remedies for solving disputes produced by the

conflicting interests of title-holders, on the one hand, and intermediaries and users of the web, on the other, who seek access to information following all across the cyberspace.

Mexico has been an active promoter of copyright law and a true participant in the development of an international system of protection. The internet is no exception to this rule. In line with the foregoing, the Mexican delegation participating at the discussions of WCT and WPPT played an active role in the negotiation and adoption of the above international treaties. As of May 18, 2000, Mexico deposited the instruments of accession to the WCT and WPPT. WCT is now pending at Congress while WPPT was approved on March 1, 2000.

As a matter of fact, the Mexican Law of 1996, which was adopted prior to the conclusion of the Diplomatic Conference held at WIPO's headquarters in December 1996, already had introduced certain of the provisions that would later become the standards of the treaties.

Accordingly, the Mexican Law of 1996 inserted a "making available" right, as a legal tool to cope with the issue triggered by the use of works of authorship in a digital environment. Likewise, the statute recognized a "transmission" right, independent from the more traditional notion of public performance, and in fact, from the more general concept of "communication to public", as regarded by article 8 of the WCT.

As to technical protection systems, a rule was included aiming at protecting the circumvention of codification mechanisms in computer programs. The rule in the Mexican law has nonetheless a narrower scope than that of what would later become articles 11 and 12 of the WCT. These are not restricted to software only, but are rather regarded as a general norm imposing upon the "contracting parties" an obligation to "provide adequate legal protection and effective legal remedies against the circumvention of effective technological measures that are used by authors in connection with the exercise of their rights under this Treaty or the Berne Convention and that restricts acts in respect of their WORKS, which are not authorized by the authors concerned or permitted by the law" (emphasis added).

Finally, the Mexican statute adopted a notion of "reproduction", which includes the temporary or ephemeral copying of protected works. The Mexican legislator of 1996 was certainly unaware, at the time that the law was passed, that the Diplomatic Conference of Geneva would end up dropping the drafting of a "reproduction" right in the WCT, as the idea of "ephemeral reproduction",

would have imposed a high burden on internet service providers. By having anticipated the final result at WIPO, Mexican law indeed ruled on the ephemeral copying of works as a form of reproduction, and as a result, will now face the need to introduce for the sake of a proper balancing of equities, a system where limitations to copyright and safe harbour provisions counteract the controlling rights of copyright owners.

DATABASE PROTECTION

The Mexican law of 1996 contemplates some provisions regarding the protection of databases. A principal rule states that collections of data or of "other material" perceptible by means of machine or any other form, which by reason of the selection and disposal of their content represent "intellectual creations", shall be protected as "compilations". By being considered as "compilations" the law is affording copyright protection to a data base if "original", protection being thus calculated for the regular term of life plus 75 years. On the other hand, databases which are "not original" shall be nevertheless protected, although for a reduced term of five years.

From the foregoing, it can be seen that, having been inspired by the EU Directive on Database Protection, and naturally on articles 10(2) of TRIPs and 2(5) of the Stockholm Act of the Berne Convention, Mexican law has recognized protection of electronic and non-electronic databases on two different levels. Concerning the first level, the law has imposed the higher standard of originality virtually equal as in copyright law. Although perhaps not as far reaching as Inkasso program's "Schöpfungshöle" or maybe even Feist, the standard should at least be consistent with that required for computer programs. Indeed, under the foregoing criterion, there would be many compilations and collections of works that may qualify as databases, leading thus to the possibility that accumulative protection may be possible.

Pursuant to the second level, which considers a lower standard of protection, the Mexican law still would offer *"sui generis"* type protection for databases not meeting the requirements needed for a "copyright" type of protection. The law refers under this category to "non original" databases. This may be a slightly unfortunate concept, as it may very well be thought that it admits any possible

form by which data are put together, without a minimum criterion of selection or arrangement. The notion of “non originality” would thus go beyond a “sweat of the brow” standard required by the EU Directive.
The bundle or rights conferred upon the two levels of databases is equal, and includes rights of extraction and reutilization conceptualized as reproduction, transportation, translation, modification, distribution and public communication of the protected database. No exceptions were considered and it also was not made clear whether a rental right would exist.

TRADE SECRETS

The ILP considers as a trade secret information having industrial application, kept confidentially by an individual or corporate entity, which represent a competitive or economic advantage over third parties in the course of economic activities and with respect to which sufficient means or procedures to preserve confidentiality and restricted access have been adopted. Also, the IPL establishes some limitations as to the subject matter of protection by stating that the confidential information of a trade secret must also refer to the nature, characteristic or purposes of the products; production methods or processes; and to the means or manner of distribution or trade of products or the rendering of services.
Furthermore, the IPL establishes additional limitations requiring that the above-referred “confidential information” must be embodies in documents, electronic or magnetic media, optical disks, microfilms, films or other tangible instruments.
The IPL’s trade secret protection is aimed at ensuring:
(1) That the trade secret is not misappropriated by any person in a confidentiality relationship.
(2) That the trade secret is not misappropriated by any person outside a confidentiality relationship.
(3) That those to whom the trade secret is disclosed do not divulge the information or use it without the consent of the holder.
The holder of a trade secret is entitled to use undisclosed material by himself or herself or to disclose it to third parties and confidentiality shall remain protected no matter whether such disclosure is made as a result of an agreement or a labour or professional relationship. Agreements under which technical knowledge, technical assistance or supply of basic detailed

engineering is transmitted may contain confidentiality clauses to protect the trade secrets they may encompass, but shall set forth the aspects they comprise as confidential.

Finally, the LIP has established that trade secret theft will be pursued through criminal actions. Accordingly, criminal sanctions are available in case of non-authorized disclosure misappropriation “and unauthorized use” of the confidential information contained therein. Notwithstanding this situation, trade secrets are not protected when appropriated by proper means such as reverse engineering or by independently creating, discovering or inventing them.