

# Software groups in EU warn parliament over 'copycat paradise' risk

By Tobias Buck in Brussels

Europe's high-tech industry is urging the European parliament not to clamp down on its ability to register patents for software-related inventions, warning that such a move would have "catastrophic" consequences for business.

The appeal comes as the parliament and European Union member states prepare for the next stand-off over one of the most controversial laws of recent years.

The latest version of the EU proposals on the patentability of computer-related inventions is set to be formally approved by member states next month.

The industry says it is happy with the law in its current form but fears the parliament will seek to tighten the draft legislation, in a way that could remove patent protection from more than 30,000 registered inventions and prevent companies from winning new patents.

The concern stems from the parliament's first reading of the draft law, which ended earlier this year with a version that curtailed the possibility of registering a patent for software-related inventions.

Though most amendments were struck down by EU member states in May, the move angered many members of the parliament (MEPs), who later this year will be given a second chance to rewrite the law.

that made a "technical contribution", for example helping a mobile phone save battery power or improving the picture of a television screen.

Pure software, such as Microsoft's operating system Windows, would be excluded, as would business methods such as Apple's on-screen waste basket.

However, the directive's opponents fear the text is too broad and unspecific to draw a clear distinction between software and software-implemented inventions. They argue that the law would allow companies to claim patents for spurious inventions while creating a barrier to fresh innovations.

"With a software patent, you create intellectual no-go zones. If an idea has been patented, no one else may have this idea again. If we have a large enough number of intellectual no-go zones,

The industry regards reverting to the original wording as 'catastrophic'

that will restrict businesses' room for manoeuvre," says Joachim Jakobs, of the Free Software Foundation Europe.

But many companies say such fears are misplaced. Tim Frain, director of intellectual property rights at Nokia, says a reversal to parliament's original wording "is regarded by industry as being catastrophic".

"Basically, it would remove patent protection for all digital inventions. For a communications company like Nokia, we are estimating that this would affect 90 per cent of our spending on research and development - the best part of €3bn (\$3.8bn)."

Caroline Kamerbeek, of Philips, says: "The current proposal is okay for us, but if they go back to the full position they had before, it would be disastrous for the industry. I think this is a real threat for the high-tech industry - Europe could become a copycat paradise."

In a letter circulated to the MEPs, the high-tech industry association, EICTA, warns that a second clamp-down would have serious consequences: "Some of the amendments proposed by the European parliament in first reading would eliminate most patents on software-enabled inventions. [This] would seriously threaten research and development in Europe [and] thousands of jobs in Europe would be at risk."

EICTA's members include companies such as EADS, IBM, Intel, Microsoft, Nokia, Philips, SAP, Siemens and Sony.

In its present form, the law - often described as the software patent directive - would allow companies to register patents for software