

Global Trends Relating to Scope of Patent Protection for Software Inventions

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Technical/Commercial Background

- **Software programs are typically provided to end users either by way of magnetic or optical media, or by wired or wireless transmission**
- **As semiconductor devices become more highly integrated and operate at significantly faster speeds, more and more of the complex functionality of such devices is implemented in software**
- **More and more inventions arise from software development and are preferably implemented in software rather than hardware**
- **This creates a need for an adequate scope of patent protection so that the software developer/patent holder can receive adequate damages to compensate for infringement of the patent**

Patent Background

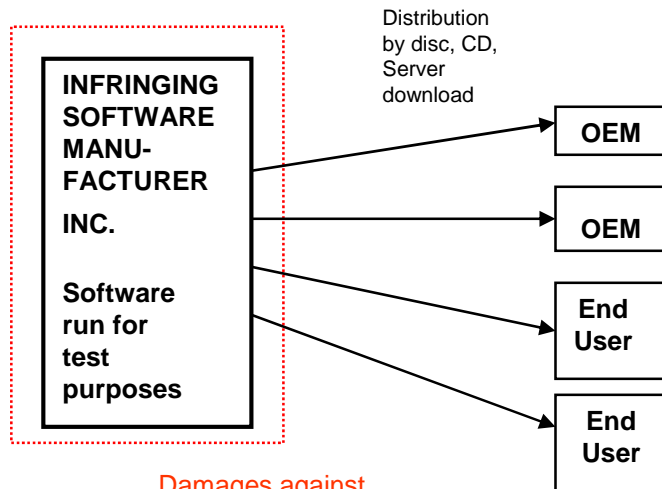
- **The claims of a patent define the scope of protection**
- **Claims can be written in many forms that provide various scopes of protection**
- **For software inventions, protection may be afforded by many types of claims, including method claims and computer program product claims**
- **A sample claim method would be:**
 - **A method for providing notification of an incoming phone call, comprising:
recognizing the incoming phone call; and providing notification of the call.**

Patent Background (continued)

- **A sample computer program product claim would be:**
 - **A computer program product, including computer readable program code embodied in medium, for causing a computer to provide notification of an incoming call, comprising:**
 - code for causing a computer to recognize an incoming phone call; and**
 - code for causing a computer to provide notification of the call.**

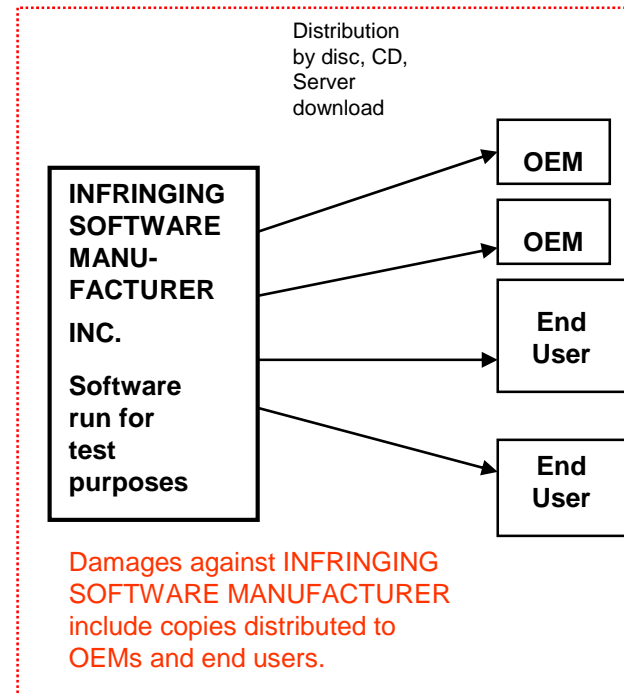
Damages Analysis For Infringing Software Manufacturers

Method Claim



Damages against INFRINGING SOFTWARE MANUFACTURER limited to number of times software is run for test purposes.

Computer Program Product Claim



Damages against INFRINGING SOFTWARE MANUFACTURER include copies distributed to OEMs and end users.

Damages Analysis For Infringing Software Manufacturers (continued)

- **Software Manufacturer only tests 1 out of every 10 programs it sells and distributes and has sold and distributed 10,000 infringing programs**
- **The method claim is only infringed when the manufacturer tests the product and the computer program product claim is only infringed when the program is sold and distributed**
- **A reasonable royalty is \$1 for practicing method and also for making or selling and distributing the program.**
- **Damages for infringement of method claim = 1000 (# of times program is tested) X \$1 = \$1000**
- **Damages for infringement of computer program product claim = 10,000 X \$1 = \$10,000**

Conclusion

- **If the scope of patent protection for software is limited to method claims, and does not include computer program product claims, then the patent holder is deprived of its' rightful compensation for all products that infringe its patent!**

***Note:* It is recognized that purchasers of the infringing software may also infringe the patent but it is not feasible, legally or commercially, to enforce the patent against each individual purchaser.**

Further, in some jurisdictions, claims of indirect or contributory infringement and inducing infringement may be brought. However, such claims typically subject the patent holder to additional defenses which add cost and time to the litigation process. A claim of direct infringement against the manufacturer of infringing software is the most efficient and effective means to enforce the patent.

Conclusion (continued)

- The World Semiconductor Council, composed of the CEO's from the U.S., Japan, Europe, Korea, Chinese Taipei, and China semiconductor industries, issued a joint statement in May, 2007 which stated:
 - *“As semiconductor devices become more highly integrated and operate at significantly faster speeds, more and more of the complex functionality of such devices is implemented in software. It thus becomes imperative for all countries to provide meaningful patent protection for software inventions so that they receive the same level of patent protection as inventions implemented in hardware.*
- The WSC asks its members to discuss with their governments and authorities, if said meaningful patent protection for software is not available, the possibility of expanding the scope of protection to allow the software invention patent owner to enforce its patent against all types of infringers, including software manufacturers and distributors”.*
- Countries in which adequate protection is presently not accorded:

India

China

Vietnam

Note that the UK IP Office just recently changed its policy and is now allowing claims for computer program products, as well as computer programs that have technical effect.

Recommendations

- **For those countries that do not provide adequate protection for software inventions take immediate action to ensure expanded protection for software inventions at least by way of computer program product claims, or even better for computer programs that have a technical effect, much like the new UK policy allows for and the Korean government is presently considering.**
- **Ensure that the judiciary enforces patents with claims covering computer programs and computer program products.**