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Francis Hackett

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INTELLECTUAL PROPERTY PROTECTION OF SOFTWARE IN IRELAND

by FRANCIS HACKETT†

I. INTRODUCTION

The Irish software industry currently employs over eight thousand people in many major multinational corporations including Microsoft, Novell, Lotus and Corel which have located operations in Ireland to carry out software manufacture, development, and localisation. Not surprisingly, the statutory framework to protect computer programs has developed considerably in recent years and the law in Ireland within this area has been brought into conformity with other Member States of the European Union.

II. COPYRIGHT PROTECTION

A. EXTENSION OF PROTECTION AFFORDED BY COPYRIGHT ACTS TO COMPUTER PROGRAMS

The Directive on the Legal Protection of Computer Programs¹ was implemented in Ireland by means of a statutory instrument published in February, 1993 (hereinafter "Regulations").² The Regulations provide that copyright shall subsist in every original computer program "as if it were a literary work."³ This means that the standard of originality required for a computer program to be afforded protection is no higher than that required of other literary works. Therefore, it is sufficient if the computer program is original, in the mere sense of being the author's own intellectual creation. No qualitative or aesthetic test is applied to

† Francis Hackett is a solicitor with the firm of McCann FitzGerald, who specialises in information technology law. The author gratefully acknowledges the assistance of Professor Robert Clark of University College Dublin in writing this article.

1. 1991 O.J. (L 122) 42. In these Regulations, "the Directive" means Council Directive 91/250/EEC, effective January 1, 1993, on the Legal Protection of Computer Programs.

2. *Id.*

3. *Id.*

determine the originality of the computer program, unlike the position in certain civil law jurisdictions.

The Regulations remove any doubt that computer programs are protected by copyright. The first reported Irish case in which the Regulations were cited is *News Datacom v. Satellite Decoding Systems*.⁴ In this case, the Irish High Court heard arguments on whether "smart cards" sold by the defendants in Ireland, which operated to decode satellite transmissions, constituted an infringement of the plaintiff's smart card. The smart card at issue comprised a computer program, including an algorithm, authorising the decoder to decode the transmitted programs. The court held that the statutory basis for a claim to copyright in a computer program lay in the extension of the 1963 and 1987 Copyright Acts to computer programs by the Regulations.⁵ The plaintiffs failed, however, to establish as a matter of probability that there had been a substantial degree of copying of the copyrighted software.

B. IDEA/EXPRESSION DICHOTOMY

The Regulations provide that "ideas and principles which underlie any element of a computer program, including those which underlie interfaces, are not protected by copyright." In the United States, however, there has been some debate as to the precise application of this principle. The issue has not yet been considered by the Irish courts, although it has arisen in the United Kingdom. The most recent decision on point in the United Kingdom is *Ibcos Computers v. Barclays Mercantile Highland Finance*.⁶ In this case Justice Jacob disapproved two earlier decisions of the English High Court which had favoured the approach adopted previously by the U.S. Supreme Court in *Computer Associates Int'l v. Altai, Inc.*⁷ Justice Jacob considered that the aphorism "there is no copyright in an idea" was likely to lead to confusion.⁸ The true position, in his view, is that where an idea is sufficiently general, then even if the original work embodies it, the mere taking of the idea will not constitute an infringement.⁹ But if the idea is detailed, there may be an infringement. This question is one of degree.

Justice Jacob further held that Section 102(b) of the U.S. Copyright Code was fundamentally different from the U.K. legislation. As a result, he found that determining the "core of protectable material" was of little assistance in determining whether an infringement had taken place. He

4. [1995] F.S.R. 201.

5. *Id.*

6. [1994] 21 F.S.R. 275.

7. 982 F.2d 693 (2d Cir. 1992).

8. *Ibcos Computers*, 21 F.S.R. 275.

9. *Id.*

agreed, however, that it was not just the literal similarities of the text of the code that needed to be considered in determining whether an infringement had taken place, but also the structure of the program and its design features. The copying of the data portion of a program could, in his view, amount to copying of a substantial portion of the program and thereby constitute an infringement of the copyright in the program. Because decisions of the English courts are not binding on the Irish courts (although they may be cited as persuasive authority), it remains to be seen how an Irish court will determine this issue.

C. RIGHTS GRANTED UNDER THE REGULATIONS

The exclusive rights granted by the Regulations to the owner of the copyright in a computer program include the right to do or authorise the following:

- (a) the permanent or temporary reproduction of a computer program by any means or in any form, in part or in whole;
- (b) the translation, adaptation, arrangement and any other alteration of a computer program and the reproduction of the results thereof without prejudice to the rights of the person who alters the program; or
- (c) any form of distribution to the public including the rental of the original computer program or of copies thereof.¹⁰

This last right is qualified by the doctrine of "exhaustion of rights." Exhaustion of rights means that the first sale in the European Union of a program or copies of the program, by the right holder or with his consent, exhausts his distribution right within the European Union.¹¹ This right holder can still, however, control further rentals of the program or copies of the program. Unless there are specific contractual provisions to the contrary, the acts referred to in paragraphs (a) and (b) above do not require the authorisation by the right holder, where the acts are necessary for the use of the computer program by a lawful acquirer in accordance with the intended purpose (including error correction).

The making of a backup copy by a person having the right to use the computer program cannot be prevented by the contract insofar as the backup copy is necessary for that use. It is possible, however, to limit through contract the number of backup copies that an individual may make.

A person who has the right to use a copy of a computer program is also entitled, without the authorisation of the right holder, to observe,

10. 1991 O.J. (L 122) § 5(a)-(c).

11. The doctrine is known as the "first sale doctrine" in the United States. See DONALD S. CHISUM & MICHAEL A. JACOBS, *UNDERSTANDING INTELLECTUAL PROPERTY LAWS*, § 4E [3] [a] (1992).

study or test the functioning of the program in order to determine the ideas and principles which underlie any element of the program, but only if he does so while performing any of the acts of loading, displaying, running, transmitting or storing the program. This right is generally known as the "reverse analysis" right and is akin to the concept of "fair dealing" as it applies to other copyright works.

Most importantly, the authorisation of the right holder is not required where reproduction of the code and translation of its form are indispensable to obtain the information necessary to achieve the interoperability of an independently created computer program with other programs, provided that all of the following conditions are met:

- (a) the acts are performed by the licensee or by another person having a right to use a copy of a program or on their behalf by a person authorized to do so;
- (b) the information necessary to achieve interoperability has not previously been readily available to the persons referred to in subparagraph (a); and
- (c) these acts are confined to the parts of the original program which are necessary to achieve interoperability.¹²

This "decompilation right," however, does not permit the information obtained through its application to any of the following:

- (a) to be used for goals other than to achieve the interoperability of the independently created computer program;
- (b) to be given to others except when necessary for the interoperability of the independently created computer program; or
- (c) to be used for the development, production or marketing of a computer program substantially similar in its expression, or for any other act which infringes copyright.¹³

In practice, the decompilation right can, therefore, be limited in a number of ways. First, copyright owners may make the interface information available to users for a fee. The Regulations discuss the information being "readily available," but this would not preclude the payment of a reasonable fee for such information. Second, a software license agreement can provide that the licensee must inform the licensor of its intention to decompile and the specific purpose for which decompilation is sought. The licensor can then control the limited information which is required to enable the licensee to achieve a stated objective. Finally, some licensors have decided to publish minimum interfacing information which leaves them in a position to argue that there is no need for decompilation. Any contractual provision which seeks to exclude the decompilation right or the reverse analysis right is null and void.¹⁴

12. 1991 O.J. (L 122) § 7(1)(a)-(c).

13. *Id.* § 7(2)(a)-(c).

14. *Id.* § 9(1).

D. THE IMPACT OF COMPETITION LAW ON INTELLECTUAL PROPERTY RIGHTS

The decompilation right granted by the Regulations reflects the concern of the Commission of the European Communities that the exercise by a copyright owner of his rights could, in certain circumstances, amount to an abuse of a dominant position, which is prohibited by Article 86 of the Treaty of Rome. The European Court of Justice has recently handed down an important decision which will have a significant impact on the exercise of intellectual property rights.¹⁵ The European Court heard an appeal by U.K. and Irish broadcasters against the decision of the Commission and Court of First Instance, that the refusal to permit an Irish magazine to publish comprehensive advance weekly listings of television programs constituted an abuse of a dominant position.¹⁶ The court held that the broadcasters were in a position to prevent effective competition on the market in weekly television magazines, and, accordingly, the broadcasters occupied a dominant position.¹⁷ In addition, the broadcaster's refusal to provide the basic programming information by invoking national copyright laws had the effect of preventing other persons from publishing the information in the form of weekly guides. This prevented the appearance on the market of a new product for which there was a potential demand, and the refusal constituted an abuse of a dominant position.

This decision has serious implications for owners of intellectual property. If third parties can demonstrate that a new product which they intend to make requires the use of technology or information protected by intellectual property rights, and that the owner of those intellectual property rights refuses to allow their use in order to maintain a dominant position in a given market, then the third party may be able to require the intellectual property owner to license the technology or information to them.

III. TRADEMARK PROTECTION

The practice in the past has been to register trademarks for computer programs in Class 9.¹⁸ A recent decision of the High Court in the

15. *Radio Telefis Eireann v. European Commission*, [1995] F.S.R. 530.

16. *Id.*

17. *Id.*

18. The World Intellectual Property Organization (WIPO) classification system for Class 9 goods is as follows:

Scientific, nautical, surveying and electrical apparatus and instruments (including wireless), photographic, cinematographic, optical, weighing, measuring, signaling, checking (supervision), life-saving and teaching apparatus and instruments; coin or counter-free apparatus; talking machines; cash registers; calculating machines; fire-extinguishing apparatus.

United Kingdom, however, calls this practice into question. In *Mercury Communications v. Mercury Interactive (UK)*,¹⁹ Justice Laddie was concerned with the validity of the registered trademark "Mercury" registered in Class 9.²⁰ The owner of the mark was a well-known provider of telecommunication services for computers, electronic instruments for processing data and computer programs.²¹ The defendant was engaged in a different market, namely, selling computer programs for analysing, testing and debugging computer software under various marks which incorporated the word "Mercury."²² Although the point was not fully argued before him, Justice Laddie felt that there was a strong argument that a registration simply for "computer software" would normally be too wide.²³ Mercury Communications used and intended to use the mark only in relation to its telecommunication business.²⁴ He considered that the specification of goods for which the mark was registered conferred on Mercury Communications a monopoly in the trademark (and confusingly similar marks) on an enormously diffuse range of products with which Mercury Communications had no legitimate interest.²⁵ The defining characteristic of a piece of computer software was not, in his view, the medium on which it is recorded, the trade channels through which it passes nor the fact that it controls a computer, but rather the function that it performs.²⁶ It appears, therefore, that registrations of the trademarks for computer programs which have been granted on the basis of a wide specification of goods to which the mark will be applied could be vulnerable to challenge. This point has not yet arisen in the Irish courts.

IV. PATENT PROTECTION

Ireland is a signatory of, and has ratified the European Patent Convention. Section 9(2)(c) of the Patents Act, 1992 ("1992 Act") closely follows Article 52 of the European Patent Convention which expressly declares that a program for a computer cannot be regarded as an invention for the purposes of patent law. This provision is qualified by subsection 9(3) of the 1992 Act which provides that the exclusion of patentability in relation to computer programs applies "only to the ex-

19. [1995] F.S.R. 850.

20. The specification of goods for which the mark was registered was as follows: "Computers; electronic instruments for processing data; parts and fittings included in Class 9 for all the aforesaid goods; computer programs; but not including computer programs relating to metals or planets." *Mercury*, [1995] F.S.R. 850.

21. *Id.*

22. *Id.*

23. *Id.*

24. *Mercury*, [1995] F.S.R. 850.

25. *Id.*

26. *Id.*

tent to which a patent application or patent relates to such subject matter or activities *as such*²⁷ (emphasis added).

The guidelines issued by the European Patent Office in relation to Article 52 of the European Patent Convention provide that the Examiner should disregard the form or kind of claim alleged, and concentrate, instead on the patent's content in order to identify the real contribution which the subject matter claimed, considered as a whole, adds to the known art. If this contribution is not of a technical character, there is no invention within Article 52. If, however, a computer program is claimed in the form of a physical record, the contribution to the art is merely the computer program itself; then the claim is excluded subject matter and, as such, it is not allowable. On the other hand, if a program in combination with a computer causes the computer to operate in a different way from a technical point of view, the combination may be patentable.

The focus, therefore, is not upon an end product as patentable subject matter, but, rather, the requirement to find technical contribution in order to qualify as a patentable invention. When discovering this technical contribution, the invention should be examined in its entirety.²⁷ Although there have been no reported cases in the Irish courts as to the patentability of a computer program under the 1992 Act, it is likely, given the close similarity between Article 52 of the European Patent Convention and Section 9 of the 1992 Act, that an Irish court would follow the guidelines of the European Patent Office outlined above. This has also been the experience in the United Kingdom.²⁸

V. BREACH OF CONFIDENCE

Even if a computer program is not protected by copyright or patent law, unauthorised disclosure of the confidential information which comprises the program may be restrained by the courts. The leading Irish case in this area is *House of Spring Gardens v. Point Blank*.²⁹ This court held that it must first determine whether the relationship of the parties creates an obligation of confidence regarding the information that has been imparted.³⁰ Second, the court must decide whether the information which was communicated could properly be regarded as confidential.³¹ If the court finds that the necessary relationship existed and that the information could properly be regarded as confidential, the court will require the person to whom the information has been imparted to act in good faith, and will only allow him to use the information for the purpose

27. *Viacom Computer Related Invention* 1987 E.P.O.R. 74.

28. *See In Re Gale's Application* [1991] R.P.C. 305.

29. [1983] F.S.R. 489.

30. *Id.*

31. *Id.*

for which the court has imparted it to him and will not allow him to use the information received to the detriment of the informant.

VI. CONCLUSION

Although Irish case law in these areas has yet to be developed, it is clear that Ireland has in place a comprehensive statutory framework to protect computer programs whether by means of copyright or patent law. It will be interesting to see whether the *Mercury* case will have a future impact on trademarks registered for computer programs. The relationship between European competition law and national copyright laws remains a troubled one which will, undoubtedly, be the subject of judicial comment in years to come.