LETTERS

Implementation of the Software Directive

From J.P. Britton, Intellectual Property Policy Directorate, The Patent Office, London

I am aware that there are different views about the way the United Kingdom has implemented the Software Directive, but I am afraid that I have some difficulty with the particular arguments raised by Sally Cooper.[1]

She appears to believe that the Directive is such that the United Kingdom must disapply moral rights in literary works which are preparatory design materials for computer programs. But the Directive does not address moral rights. It merely provides that computer programs and their preparatory design material shall be protected by Member States as literary works within the meaning of the Berne Convention. Member States remain free, in the absence of harmonising provisions dealing with moral rights, to make their own interpretation of their international obligation as regards such rights and apply them to computer programs, preparatory design material for computer programs and any other categories of literary, dramatic, musical or artistic works in the light of that interpretation and in accordance with their intended policy. Nothing in the Directive allows this to be challenged.

Ms Cooper's second point relies on a very broad interpretation of what amounts to preparatory design material. She says that this will 'undoubtedly' include material which is artistic rather than literary. The courts will, of course, have the last word on this, but I would say that there must be considerable doubt that a drawing of a character for a computer *game* amounts to design material for a computer *program*. If it does not, then whether or not the character is drawn directly onto a screen or on paper would be irrelevant to the resulting work's copyright status and the Directive's provisions would not bear on that work. I would add that this would seem to be the sensible result, given that the Directive is clearly addressed to issues arising in connection with the use and exploitation of computer programs proper: applying its provisions to design material, going to such matters as defining the way in which a program should operate, can be justified, but, in my view, applying them to cartoon characters or musical jingles cannot.

I would add, in connection with Ms Cooper's parenthetical comment that the implementing regulations appeared apparently from nowhere, that UK interests were intensively consulted during the seveal years it took to negotiate the Directive; that the Government issued a draft of the implementing regulations to well over one hundred individuals, firms and representative organisations; that the resulting comments were taken into account in preparing the final text of the regulations; and that the text was debated in both Houses of Parliament.

1 [1993] 10 EIPR 385.

Evaluation of Damages in Italian Patent Litigation

From Arnold Vahrenwald, Munich.

With regard to the article by Gabriel Cuonzo and Julie Holden about the evaluation of damages in Italian patent litigation,[1] one may concede to the authors' assertion that Italian courts were not often concerned with the assessment of damages for patent infringements. However, the recent decision of Trib. Roma 28.01.1991 (GADT 2650) seems to have cleared up some uncertainties relating to this subject. The plaintiff was the foreign owner of an Italian patent for an invention relating to a pharmaceutical drug. The patented product constituted the basic substance of a drug for the therapy and prevention of pathological conditions arising from gastric hyper secretions. The court held: 'in the case in which the manufacture and sale of a patented product is, in our country, only made by a person licensed to do so, the patentee's damages arising from the infringement only lie in the lacking receipt of royalties'.

In the reasons for the judgment the court explained that the patentee did not directly manufacture in Italy patented products and drugs based on the patented invention. Products and drugs were manufactured and sold in Italy only by licensees. The damages suffered by the patentee were, according to the court, represented only by the failure to receive royalties, the percentage of which — as resulted from the information produced — was fixed in the case of other drugs manufactured on the basis of the patented product under a licence by the patentee at 7 per cent of the sales price. The court assessed the damages payable by the infringer at Lit. 40,000,000. The court considered that the information produced on the scope of the sales of the patented product did not permit an exact assessment, and that it was not appropriate to determine the amount of damages in relation to each consecutive patent infringement, taking into account that this would not be possible in practice with regard to the nature of the patented product and to the particular modality of the sale.

The judgment thus gives an example of the freedom of an Italian court to settle damages on a liberal evaluation of facts in application of Article 86 of the Italian Patent Act. This jurisdiction confirms that the reasonable royalty approach is firmly established in Italian patent law and, further, it seems that this method is the only one to be used for the assessment of damages if there is a non-competing use of the patented invention by the infringer, that is to say, in the case in which the patentee does not exploit the invention himself but through the grant of licences.

1 [1993] 12 EIPR 441.