Letters to the Editor

Copyright, patent, or trade secret—which for software?

Editor:

Recently, you published a short article ["Preventing Software Piracy," Computer, March 1977, pp. 29-30] on the comparative merits of patent, copyright, and trade secret protection for software which, while obviously well-intentioned, was somewhat misleading. In particular, the emphasis on copyright protection was perhaps premature, since the present copyright law probably doesn’t grant any protection at all to computer programs. The Copyright Office is registering computer programs “... in accordance with its policy of resolving doubtful issues in favor of registration whenever possible ...” (Copyright Office Circular 61, February 1974), but even the newly revised copyright law that will go into effect January 1, 1978, preserves the existing law “with respect to the use of the work in conjunction with automatic systems ...” (17 U.S.C. 117 (1978)). Under existing laws, as decided by the Supreme Court in White-Smith Publishing Co. v. Apollo Co., 209 U.S. 1 (1908), a case holding player piano rolls to be uncopyrightable, a "copy" must be "a written or printed record of it in intelligible notation.", Query whether a program, compiled into binary and stored within a core memory, is "in intelligible notation"? In addition, a copyright only protects the "form" or "mode of expression" of an idea, at best, and it can never preempt an idea or useful concept. The new copyright act will reverse the holding of the Supreme Court in White-Smith in almost all other copyright areas, particularly with respect to videotape recordings, but White-Smith will still be applicable to computer programs until the law is again revised at some future time.

This state of affairs may soon change. Additional revisions to the copyright law will soon be proposed by "CONTU" (Commission On New Technological Uses). A CONTU subcommittee has recently proposed making available limited copyright protection to protect against the pirating of a program verbatim. Naturally, this protection would not extend to the underlying algorithm but merely to the "mode of expression" of a particular implementation of the algorithm. The public would be free to go to the Copyright Office, study a copyrighted program, and use any ideas the program contained so long as the actual code is not copied.

Patent protection may be available at the present time for a software invention claimed as a new "machine" that is not a mere realization of a mathematical equation. The Court of Customs and Patent Appeals has so held in several recent decisions, but the Patent Office has refused to be bound by that court’s holdings. The Patent Office has taken the position that a recent U.S. Supreme Court decision holds all computer programs to be unpatentable. So if you file for a software patent, presently you must appeal from an adverse decision of the Patent Office to the Court of Customs and Patent Appeals before your patent will issue—this may take from four to six years and can be quite expensive.

The court decisions are in disagreement as to whether a "hardware" patent may be enforced against a "software" infringer—the Federal District Court for the Southern District of New York says "No" while the U.S. Court of Claims says "Yes."

Since Congress is reluctant to intervene, the patentability of computer programs will probably be placed before the U.S. Supreme Court again within the next few years. Newly-appointed Supreme Court Justice Stevens is an excellent patent-law judge, so I look for him to write a well-considered opinion that will bring some certainty to this unsettled area of law.

At present, trade secret protection is by far the best protection obtainable for software. You keep the program a "secret," leasing out copies only to those who agree in writing to preserve its secrecy. The Supreme Court recently reaffirmed the availability of trade secret protection. Considering the relatively short useful life of most computer programs, patent protection is usually not worthwhile, even if the expense of obtaining a patent can be justified. And copyright protection, even if available, leaves others free to use the useful ideas contained in a copyrighted program. If all you wish to do is discourage copying by means of an impressive-looking notice, then copyright protection may be satisfactory. But if you really wish to protect your valuable software from being taken and sold by others, the trade secret route is the best way to go at present.

James A. Sprowl
Research Attorney
American Bar Foundation

Rejoinder to Sprowl's letter

Editor:

As a non-lawyer, I have been sorely disappointed by the marked lack of leadership from the legal profession in the use of the law for the protection of computer-related intellectual property. Lack of timely legal theory and advice has in fact cost me dearly both in anguish and hard cash.

In self-defense, faced with default of the legal profession, I have directed a part of my inventive ability from circuits and subroutines to legal theories and logic. My article introducing "sealed-in software" is one result.

Cont’d on p. 11
My article had three additional purposes: (1) to alert our profession to the significant new copyright revision law, (2) to point out how IBM protects its program products (a method which few people seem to know about), and (3) to give cogent legal reasons (with citations) why there are serious doubts about the legal enforceability of trade secret protection for marketed software.

I was disappointed that my article did not stimulate those lawyers reading it to a well-reasoned critical response. None of my points is addressed by Sprowl’s letter.

Instead, his letter is a smoothly written presentation of the cliches and tired “conventional wisdom” concerning software protection which I have heard many times from lawyers. Much of what he says is made obsolete by the new copyright law—the constructive parts of which he fails to mention. If trade secret were so potent, why doesn’t he explain why IBM does not rely upon trade secret for their licensed program products? Why does he (as do all patent lawyers) continue to harp on the valuable “secret idea” that software supposedly contains? The real value of a software product is that the total written package (documentation as well as code) works without fail, flaw, hitch, or bugs. It does not reside in some “secret idea” which could be lost by a whisper over a back fence at night!

Let me hereby invite the legal profession to provide in our journals some imaginative and meaningful analyses and discussions of the legal aspects and techniques for software protection.

Calvin N. Mooers

A billion and one, a billion and two . . .

Editor:

I appreciate your assurances (Computer, May '77), to those of us who are concerned about the end of creation, that it will take “several thousand years” for the priests at Benares to move all 64 golden disks from one diamond needle to another. However, I figure that if the priests transfer the disks at the rate of about one move per second, “day and night unceasingly,” it will take them well over 500 billion years to complete the task. I wasn’t really worried.

Richard C. Windecker

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