The EC Directive on software protection – a German comment

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1. Introduction

On 14 May 1991, the EC Directive on software protection was enacted.' It is expected that the Directive will lead to many legal changes especially in Germany.' The Federal Republic of Germany is said to have the most limited copyright protection of software in Europe.' According to s. 2 of the German Copyright Act, computer programs are protected by copyright law if they represent a 'personal, intellectual creation'. In the view of the German Federal Court, this section only applies if the form of a program in selection, collection, arrangement, and division of information and statements goes far beyond the skills of an average programmer.' These rules have been widely criticised in national and international literature,' the main argument being that their application would result in about 90 per cent of software being unprotected against piracy.

The EC Directive has mainly been enacted to force the German Federal Court to grant copyright protection for almost all computer programs. But does the Directive really achieve this goal? Is the Federal Court obliged to change its dubious jurisdiction in respect of the Directive?

2. Article 1 Section 3 of the EC Directive

Article 1 Section 3 of the Directive defines the originality required for copyrightability of software as follows:

'A computer program shall be protected if it is original in the sense that it is the author's own intellectual creation. No other criteria shall be applied to determine its eligibility for protection.'

According to the Directive's German text, a program will only be protected if it represents the 'own intellectual creation' of an author. This is exactly the same definition which the German Copyright Act formulates in s. 2(2). A work is said to be original under this act if it is a 'persönliche' (own), 'geistige' (intellectual) 'Schöpfung' (creation). The German Federal Court stated that its 'average programmer' test constitutes the correct way to decide whether a computer program is an 'own intellectual creation' or not. Therefore, the Federal Court may in future use its considerations laid down in the *Inkassoprogram* or *Nixdorf* cases to interpret the EC Directive.

The Directive, however, stresses that 'no other criteria shall be applied to determine its eligibility for

protection'. But even this exclusion has to be regarded as compatible with the present German copyright law. Section 2(2) restricts copyright protection to all works which include personal, intellectual creations. Every computer program realising this standard of originality is copyrightable; it is not permissible to use any other criteria to define the copyrightability.

Consequently, art. 1 s.3 of the Directive has the same meaning as s.2 of the German Copyright Act. The way in which the German Federal Court interprets the Copyright Act need not be changed with the EC Directive.

3. The preamble

This result may be refuted by the preamble of the Directive. The preamble states that 'in respect of the criteria to be applied in determining whether or not a computer program is an original work, no tests as to the qualitative or aesthetic merits of the program should be applied'. German computer lawyers have pointed out that this prohibition of qualitative or aesthetic tests will force the German Federal Court to change its jurisdiction.[6]

(a) The nature of the preamble

First, the nature of a preamble used in EC directives must be noted. The preamble of a directive is not legally binding. It may at best be used as one medium for the interpretation of the directive among others. The EC Commission obviously did not want the prohibition of qualitative or aesthetic tests to become legally binding; this decision of the Commission has to be accepted.

(b) The meaning of the term 'qualitative'

The terminology of the preamble has been censured as being very vague and ambiguous. On the one hand, the preamble prohibits the use of qualitative or aesthetic criteria to test the copyrightability of software. But on the other hand, the Directive does not define the terms 'qualitative' or 'aesthetic'. What does the Commission regard as 'non-qualitative'? Does 'non-qualitative' mean 'quantitative'? But how can one check the copyrightability of a program in a quantitative manner?

(c) The comparison with Anglo-American copyright law

Most comments on the directive support the *opinio communis* that the definition of originality in the Directive has been influenced by the Anglo-American copyright system excluding any qualitative test for originality.[7] This view is, however, wrong. Of course, all works which originate from the author and have not been copied are protected under American copyright law.[8] But additionally, the work must not be 'trivial'. In the famous decision *Bleistein v. Donaldson Lithography Co.*,[9] Mr Justice Holmes stated that qualitative criteria should not be applied to copyright 'outside of the narrowest and most obvious limits'. That is the reason why a lot of

US decisions denied the copyrightability of a work because of its triviality or the absence of creativity.[10]

This view has been supported even by the US Supreme Court in its recent decision *Feist Publications Inc. v. Rural Telephone Service Co. Inc.*[11] The judges stated that originality 'necessitates independent creation plus a modicum of creativity'.[12] The court emphasised in this decision that a work may only be regarded as copyrightable if 'it posesses at least some minimal degree of creativity'.[13] Therefore, the Supreme Court held that a compilation of facts is not protected by copyright if it is obvious and commonplace.[14]

The same situation may be found in the UK. As in the US, the UK courts have refused copyright protection to works consisting of commonplace material.[15] The judges always stated that copyrightability depends upon a substantial or sufficient effort and skill expended by the author on his creation of the work.[16] Therefore, the South African Supreme Court argued in 1982,[17] that there could be no copyright in a computer program being 'too trivial'.

These considerations show that a minimum of qualitative or aesthetic merits is necessary to grant copyright protection even according to the Anglo-American copyright law. Otherwise, any four-line BASIC program written by a schoolboy has to be regarded as copyrightable. For this reason, the 'Green Paper' defined originality by using a lower threshold of qualitative criteria:

'Programs should be protected where they are original in the sense that they are the result of their creator's own intellectual effort and are not commonplace in the software industry.'[18]

The EC authorities have, however, chosen to deny any qualitative test, although a sole non-qualitative test of originality is impossible.

4. Conclusions

The Directive defines the originality of a computer program by using the terms 'own intellectual creation' (art. 1(3)). These terms may be found in the present German Copyright Act, too. Therefore, the Federal Supreme Court need not change its jurisdiction in the face of the Directive and its implementation. The judges may continue stating that the average programmer test is still appropriate to define an own intellectual creation.

Consequently, the Directive has failed to meet its main target; to change the German copyright system with regard to the protection of computer programs. The EC authorities have produced a directive which will not create uniformity among the EC member states, but which will have a strong disharmonising effect on the copyright law in the EC member states. The Directive on software protection must, however, be regarded as part of a bad 'EC tradition' of disastrous, amateurish directives – as, for instance, the Directive on product liability[19] or on the protection of topographies.[20] They have all been prepared in

detrimental haste and under the pressure of professional lobbyists. Neither universities nor national governments have been able to discuss intensively the contents of the directives. Thus the legal framework with regard to the Common Market is going to be produced by a non-democratic bureaucracy and some lobbyists in Brussels, while the computer lawyers in Europe have to stay outdoors.

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NOTES

1. Council Directive of 14 May 1991 on the legal protection of computer programs. official Journal Nr. L122/42 of 17.5.1991.
2. Vgl. Schricker. Harmonization of Copyright in the EEC. (1989) 20 IIC 482 et seq.; Greguras. The EC's Proposed Directive on Protection of Computer Programs. Comments from the Silicon Valley. (1990) 4 WIPR 43.
3. See Commission of the European Communities, Green Paper on Copyright and the Challenge of Technology. COM (88) 172 final. p. 187.
4. See the Inkasso decision of the Federal Court of 9 May 1985 (I ZR 52/83) = (1986) 17 IIC 681 (English translation). The Federal Court has recently affirmed its opinion in the Nixdorf case of 4 October 1990 (I ZR 139/98). *Computer und Recht* 1991. 80. The court has, however. stated in this decision that the financial and technical efforts to create a program may be used as evidence with regard to the originality of a program. Therefore. the judges held that operating systems are supposed to be original and copyrightable
5. See generally Bauer. Rechtsschutz von Computerprogrammen in der Bundesrepublik Deutschland (Protection of Computer Programs in the Federal Republic of Germany). *Computer und Recht* 1985. p.5 et seq.; Haberstumpf. Grundsätzliches zum Urheberrechtsschutz von Computerprogrammen ... (General Considerations on the Copyright Protection of Computer Programs). *Gewerblicher Rechtsschutz und Urheberrecht* 1986. p.222 et seq.; Röttinger. Abkehr vom Urheberrechtsschutz für Computerprogramme? (Enunciation of the Copyright Protection of Software?). *Informatik und Recht* 1986. p.12 et seq.; Schroeder. Copyright in Computer Programs – Recent Developments in the Federal Republic of Germany. *EIPR*. 1986. p.88 et seq.

6. See Thomas Heymann. Softwareschutz nach dem EG-Richtlinienentwurf (Software protection and the draft of the EC guideline on software protection). in: *Computer und Recht* 1990. p.10 et seq.
7. See for instance Harry Small. The EC's draft directive on the protection of computer software. (1989) 3 IPB Review 24; Nicholas Higham. Software protection versus interoperability. *The Law Society's Gazette*. Number 9. 6 March 1991. p.27.
8. Cf. *Alfred Bell & Co. v. Catalda Fine Arts, Inc.*. 191 F.2d 99. 102 (2d Cir.. 1951).
9. 188 US 239. 250 (1903).
10. See *Consumer Union of United States, Inc. v. Hobart Mfg. Co.* 199 F. Supp. 860 (SDNY 1961); *Tate Co. v. Jiffy Enterprises Inc.* 16 FRD 571 (E.D. Pa. 1954); *Kanover v. Marks* 91 USPQ 370 (SDNY 1951); *Smith v. Muehlebach Brewing Co.*. 140 F. Supp. 729 (S.D. Mo. 1956).
11. Decision of March 27. 1991. published in 18 USPQ2d 1275. My special thanks to Dr Christoph F. Hoebbel. LL.M. (Max-Planck-Institute for international copyright law. Munich) who has told me about this decision.
12. 18 USPQ2d 1276.
13. 18 USPQ2d 1278.
14. 18 USPQ2d 1276.
15. Cf. *MacMillan & Co. Ltd. v. Cooper (K. & J.)* (1923) 40 TLR 186; *G.A. Cramp & Sons Ltd. v. Frank Smythson Ltd.* (1944) AC 329; *Exxon Corporation v. Exxon Insurance Consultant International Ltd.* (1982) Ch.119; *Independent Television Publications Ltd. v. Time Out Ltd.* (1984) FSR 64.
16. See *Dutt (S.K. v. Law Book Co.* (1954) AL.J. 125; *Gouindan v. Gopalakrishna Kone* (1955) Mad. W.N. 369.
17. *Northern Office Micro Computers v. Rosenstein* (1982) F.S.R. 124.
18. COM (88) 172 final. S. 200 (Rdn. 5.8.2.). See Cees van Rij. EEC Green Paper. in: *International Media Law* 6 (1988). 75. 76; Adrian Sterling. EC Green Paper on Copyright. in: *CL&P*. November/December 1988. 64. 65f.
19. OJ L 210. 1985. See Chris Reed. Product liability for software (1988) 4 *CL&P* 149; C. Stuurman. Product liability for software in Europe: a discussion of the EC-directive of 25 July 1985. in: G. Vandenberghe (ed.). *Advanced Topics of Law and Information Technology*. Deventer 1989; Simon Whittaker. European product liability and intellectual property. (1989) 105 LQR 125.
20. 87/54/EEC. OJ L 24. 27.1.1987. p.36. See Herman Cohen Jehoram. The European Commission pressured into a disharmonizing Directive on chip protection. (1987) EIPR 35; Thomas Hoeren. Chip protection in Europe. in: A.P. Meijboom/C. Prins (eds.). The Law of Information Technology in Europe 1992. Deventer 1991. p.137 et seq.