



**Software Patents and
Prosperity:
A Business Perspective**

**Jean-Philippe Courtois
President Microsoft EMEA**

Aalborg, Oct. 28-29, 2002

The Software Ecosystem

- “ Ongoing cycle of sustained innovation - Knowledge and its dissemination
- “ Innovation cycle includes
 - “ Universities - basic research
 - “ Governments - legal framework incl. intellectual property rights
 - “ Commercial operators - financing of applied research, product development, generation of jobs, profits and tax revenues
- “ Tax revenues and other contributions fund additional academic research

Software Investment, Innovation and Growth

Software Industry Revenues

Country	2001	2005
France	€ 11.2 billion	€ 17.4 billion
Germany	€ 15.9 billion	€ 27.8 billion
Italy	€ 4.9 billion	€ 8.8 billion
Sweden	€ 2.3 billion	€ 4.1 billion

Economic Contributions of the Software Industry

Western Europe	1999	2003
Jobs	1 million	1.5 million + 52 %
Economic Impact in GDP	€ 54 billion	€ 93 billion + 72 %

The Role of Software Patents

WW

- “ Enhanced growth of the software industry in the US
- “ Transformation of SMEs into sizeable companies
- “ Patents of large companies do not block small or medium sized vendors
- “ Business investment and talent follow strong patent protection: China, Korea

The Role of Software Patents in Europe

* Mixed results:

- “ Independent software developers are making less use of patents than their US competitors
- “ But, examples of European companies having applied for patents:
 - “ Navision
 - “ Sendit

The EU Directive on Software Patents

- * **Global Competitiveness**
- * **Investment incentive**
- * **Benefits for SME's**
- * **Software is like other areas of technology**
- * **Benefits for all industrial sectors, including machine building, telephony equipment, automotive industry etc.**

Conclusion

- ✿ **The Directive will promote the software ecosystem:**
 - “ **More innovation and investment**
 - “ **Higher productivity**
 - “ **Increased inducement for creative developers to remain in Europe**
 - “ **Achievement of the vibrant knowledge-based economy**



Microsoft®