

Decision of the European Ombudsman concerning SYSTRAN's complaint 2601/2005/(ELB)ID against the European Commission

October 18th, 2006 - SYSTRAN, the leading provider of language translation technologies, today announced the decision of the European Ombudsman, concerning SYSTRAN's complaint of July 28th, 2005 against the European Commission.

On July 28, 2005, SYSTRAN made a complaint to the European Ombudsman against the European Commission. SYSTRAN requested the European Ombudsman **"to take note of the serious failings of the European Commission, embodied by the attitudes of the DG Translation and the Presidency of the Commission, that are characteristic of maladministration; to recognize that the SYSTRAN company is the victim of this maladministration and, within the limits of its powers, to take measures enabling the SYSTRAN company to gain access to the EC-SYSTRAN software in order to determine the nature and extent of the work performed by the company GOSSELIES or by the DG Translation itself on the SYSTRAN software."**

On September 28, 2006, the European Ombudsman has provided his decision on this complaint.

- The European Ombudsman finds no maladministration on the part of the Commission but he does not make a statement on the violation of SYSTRAN's intellectual property rights.
If, the Ombudsman considers, that in the current situation, SYSTRAN **"has not established that the Commission is violating SYSTRAN's intellectual property rights by modifying the software EC-SYSTRAN, without SYSTRAN's prior authorisation"**, he however adds, in his conclusion that such a violation could be possible.
He concludes: **"If [this allegation is] properly developed, as to the elements which constitute its legal and factual bases, it may be considered as well founded by a competent court of law or arbitrator."**

- The Ombudsman does not address the most important allegation stated by SYSTRAN, arguing that the Commission has not responded to him on this matter. This concerns the designation, by the President of the European Commission, of the DG Translation as the authority responsible for providing an answer whether the complaint is justified, whereas the DG Translation is in fact the object of the complaint.
- The Ombudsman also does not give an opinion on the contract award made to the Luxembourg-based company GOSSELIES.
- Whereas SYSTRAN could not access the documents in the Commission's possession, the Ombudsman did not ask for those documents, thereby relinquishing expressly its investigative powers. The Ombudsman writes: "**the Ombudsman does not consider it justified, for the purposes of his inquiry into the present complaint, to inspect the Commission's file**".

SYSTRAN considers that the decision of the European Ombudsman is favorable and encouraging in that the Ombudsman does not reject the complaint for lack of copyright infringement and, on the contrary, stresses that this complaint could be accepted by a relevant court of law. SYSTRAN thus intends to follow this recommendation and present its case before the court of law.

SYSTRAN complaint is available at the following address:

<http://www.systran.fr/company/ombudsman.html>

The Decision of the European Ombudsman is available at the following address:

<http://www.ombudsman.europa.eu/decision/fr/052601.htm>

About SYSTRAN

SYSTRAN is the market leading provider of language translation software products and solutions for the desktop, enterprise and Internet that facilitate communication in 40 language combinations and in 20 vertical domains. With over three decades of expertise and research and development, SYSTRAN's software is the choice of leading global corporations, portals including AltaVista™, Google™, Wanadoo, and Yahoo!®, and public agencies like the US Intelligence Community and the European Commission. Use of SYSTRAN products and solutions enhance multilingual communication and increase user productivity and time-savings for B2E, B2B and B2C market segments as they deliver real-time language solutions for search, content management, online customer support, intra or inter company collaboration, and eCommerce. SYSTRAN is headquartered in Paris, France with a North American office located in San Diego, California, USA.

SYSTRAN (Code ISIN FR0004109197, Bloomberg: SYST NM, Reuters: SYTN.LN) is listed on EuroList Paris, *Compartiment C*, and is member of Euronext's Next Economy segment. For more information, visit www.systransoft.com

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