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Ms. Carmen Guzman Lowrey
Associate Commissioner for Governmental
and International Affairs
c/o Commissioner of Patents and Trademarks
Box 4
Patent and Trademark Office
Washington, D.C. 20231

Re: Comments on the Chairman's Text of the Diplomatic Conference On Certain Copyright and Neighboring Rights Questions

Dear Ms. Guzman Lowrey:

These comments are being submitted in response to the Notice appearing in the Federal Register Dated October 19, 1996, regarding the Diplomatic Conference to be held in Geneva from December 2 to 20, 1996 concerning Certain Copyright and Neighboring Rights Questions, in particular the proposed text regarding sui generis protection for Databases.

I am an Assistant Professor of Law at The John Marshall Law School in Chicago, Illinois, where I teach, among other topics, intellectual property and unfair competition law. I have written several articles on the development of international intellectual property protection standards and strongly favor the development of an international protection regime that provides a sensible and workable balance between developed and developing nations' interests, and between rightsholders' and users' interests. The views submitted in these comments are my own and do not represent the views of The John Marshall Law School or any private or public organization, business, agency or other entity.

The ultimate decision reached regarding the scope of protection, if any, to be afforded databases under the Berne Convention for the Protection of Literary and Artistic Works will have a profound impact on the international economic value of such databases. If strong protection is granted to databases, including most importantly databases which are composed solely of factual (as opposed to literary or expressive) data, the potential economic returns available will arguably encourage private industry to invest more

heavily in expending the time, money and labor required to create such databases. By contrast, if the Convention remains silent on the issue, and international protection standards remain unchanged, database providers will continue to be subject to a patchwork of inconsistent protection standards that make investment decisions uncertain.

There is no question that the creation of databases, in general, often, if not always, requires a substantial investment in time, labor and capital. Even databases which are composed of nothing more than a collection of factual information may require significant expenditures to obtain, compile and verify the information. It is equally indisputable that society often benefits from the creation of such databases and that their creation should largely be encouraged.

Despite the need to assure an adequate return to database makers to encourage the creation of required compilations, it is by no means self-evident that the proposed standards of protection set forth in the Draft Treaty strike the appropriate balance between proprietors' and the public's interests. To the contrary, such standards may well harm the public by granting database makers exclusive control over the facts contained in their databases. Research, news reporting, scholarship, even public access to government sponsored databases, would be irretrievably injured under the Draft Treaty as access to necessary facts devolves to the control of the first maker of a database. Such maker would not only have the right to establish the terms under which the public could obtain the facts contained in her databases, under the proposed Draft Treaty, she would also control such access forever.

The fundamental actuating principle of U.S. copyright law is the encouragement of the creation and dissemination of new works to the public. In order to achieve this goal, the Founding Fathers, in Article I of the US Constitution, established the mechanism of "securing for limited times to Authors ... the exclusive right to their ... writings."[1] The fair use doctrine, codified in Section 107 of the present Copyright Act,[2] the

[1] US Const., Art. I, §8, cl.8.

[2] 17 U.S.C. §107. The fair use doctrine, in certain limited situations, permits the use of a copyrighted work, including its reproduction, in whole or in part, and its distribution, without the permission of the copyright owner. Section 107 of the 1976 Copyright Act sets out four statutory factors which courts consider in determining whether a given use is a "fair" one or not. They are:

> 1.The purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
> 2.The nature of the copyrighted work;
> 3.The amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
> 4.The effect of the use upon the potential market for or value of the copyrighted work.

No one factor is determinative.

idea/expression dichotomy, extending protection only to "expressive elements,"[3] and the requirement of "originality,"[4] all represent careful balances between the encouragement of the creation of new works by providing incentives to authors in the form of legal control over their creations, and the need to assure ready access to the public of such works. The proposed Draft Treaty reflects none of these balancing concerns. To the contrary, it represents the grant of a one-sided monopoly over *facts*, the fundamental building block of scientific and historic research, of educational instruction, news reporting and business prognostication.

The Draft Treaty provides protection to "any database that represents a substantial investment in the collection, assembly, verification, organization or presentation of the contents of the database."[5] The Draft Treaty requires no evidence of intellectual or creative endeavor in the compilation of the materials contained in the database. A simple listing of names in a telephone directory, a chronological listing of historical events, a chart of the scores for the weekend's professional basketball games, a compilation of formulas for unpatented drugs would all be subject to database protection so long as the materials were "arranged in a systematic or methodical way, ... capable of being individually accessed"[6] and represent a "substantial investment "[7] of "human, financial, technical or other resources in the collection, assembly, verification, organization *or* presentation of the contents of the database."[8] This extremely limited threshold for protection might be acceptable if the rights granted the database owner were narrowly circumscribed. But they are not.

Under Article 3 the database maker is granted the right "to authorize or prohibit the extraction or utilization of [the] contents [of the database]."[9] The right of extraction includes "the permanent or temporary transfer of all or a substantial part of the contents

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[3]U.S. copyright law does not extend protection to "any idea, procedure, process, system method of operation, concept principle or discovery." 17 U.S.C. §102(b). One of the key issues regarding protection is whether the work in question contains "expression. The "expression" in question must not be so limited that prohibiting its use would preclude the creation of other works which accomplish the same purpose. If the expression is found to be so limited, courts will treat such expressions as unprotectable ideas since the expression and the idea are considered to be merged. *See, e.g., Baker v. Selden,* 101 U.S. 99 (1879); *Morrissey v. The Procter & Gamble Co.,* 379 F.2d 675 (1st Cir. 1967).

[4]U.S. copyright law extends protection to "original works of authorship fixed in any tangible medium of expression know known or later developed from which they can be perceived, reproduced or otherwise communicated..." 17 U.S.C. §102(a). *See, e.g., Feist Publications, Inc. v. Rural Telephone Service Co.,* 499 U.S. 340 (1991)(discussed infra).

[5] Article 1(1).

[6]Article 2(i).

[7]Article 1(1).

[8]*Id. See also* Article 2(iv)(defining "substantial investment")(emphasis added).

[9]Article 3.

of a database to another medium."[10] Thus, transferring pure facts from a database requires the permission of the database maker. There are no express exceptions in the Draft Treaty for any type of scientific research, news reporting, education or private, non-commercial use.[11] Furthermore, the requirement of "substantial use" provides little comfort since "substantial use" is defined under the Draft Treaty as "any portion of the database, including an accumulation of small portions that is of *qualitative or quantitative* significance to the value of the database."[12]

Since the Draft Treaty proposes a sui generis form of protection, the requirements of "originality" and the protection of the public's interest represented by the Fair Use Doctrine under US copyright law do not apply. The careful balancing of the conflicting interests of the author and the public represented by over 200 years of US copyright law are sacrificed for a pro-creator, international standard that wholly ignores the public's legitimate interest in unrestricted access to factual information.

Databases are protected under US copyright law so long as such databases meet the requirement of originality which, as noted above, is the watchword of US protection. In *Feist Publications, Inc. v. Rural Telephone Service Co.*,[13] the US Supreme Court refused to protect the white pages of a telephone directory which contained, in alphabetical order, all of the telephone numbers for subscribers within a certain geographic area. The alphabetical listing of all telephone subscribers was found to lack sufficient originality because such a listing was "typical" and demonstrated no original selection.

Other compilations of fact, however, have been protected where such compilations and directories demonstrate some original selection and arrangement. Thus, for example, in *Key Publications, Inc. v. Chinatown Today Publishing Enterprises, Inc.*,[14]

the court found that a telephone directory which listed all Chinese operated businesses, restaurants and other information of interest to members of the Chinese business community in a particular city was protectable because of the degree of selection which was required to compile such information.

Similarly, in *Eckes v. Card Prices Update*,[15] the court found that the selection of

[10]Article 2(ii)(defining "extraction").

[11]Article 5 permits Contracting Parties to "provide exceptions to or limitations of the rights provided ... in certain special cases that do not conflict with the normal exploitation of the database and do not unreasonably prejudice the legitimate interests of the rightholder." Article 5 (1). Such legislation is permissive. Thus, there is no requirement that the international standard for database protection permit the unfettered access to facts for scholarship, education, research, news reporting or other public interest uses.

[12]Article 2(v) (defining "substantial part")(emphasis added).

[13]499 U.S. 340 (1991).

[14]945 F.2d 509 (1991).

[15]736 F.2d 859 (2d Cir. 1984).

5,000 premium baseball cards was protectable due to the "selection, creativity and judgment" such choices represented. Requiring a degree of intellectual creativity before a database is subject to protection, therefore, does not eliminate protection for databases. Furthermore, such requirement does not preclude the extraction and use of unprotectable facts. It simply assures that the creator of a database will only receive protection, and obtain the subsequent right to exclude others from using the created database, in those instances where some degree of intellectual activity is required. The proposed treaty offers no such limitation.

The protection of factual compilations which contain no intellectual creativity should not be considered an international norm. Although the recent European Community Directive on the Legal Protection of Databases provides protection for databases which lack any "originality" or similar intellectual creativity component,[16] the Directive should *not* be automatically adopted as an international standard. To the extent an international standard exists, that standard is represented by the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS). Article 10 of TRIPS protects "compilations of data or other material ... which by reason of the selection or arrangement of their contents constitute intellectual creations."[17] Such protection under TRIPS, however, is restricted to the compilation itself and "[does] not extend to the data or material itself."[18] While the appropriateness of the "intellectual creativity" requirement may be debated, at least it assures that facts per se are not removed from the public's unfettered use.

The threat to the public's unfettered access to facts and other public domain materials if the proposed Draft Treaty becomes effective is neither negligible nor a straw dog. In an era when developing countries are wrestling with the problems of transparency of laws, it is counterproductive to support a measure which has the realistic potential for removing facts from the public. Factual databases are compiled and used for a variety of scientific and governmental purposes. Many such databases, including the compilation of, for example, weather data, census information, and the like, are based on access to government-gathered information. Under the proposed treaty, the first compiler of the information would have the exclusive control over access to this government developed data. Thus, the public would be denied access to public information, gathered by government officials, using the public's money and yet, if the database is created by an non-governmental agency, the public would not be able to use such data without paying for the privilege!

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[16]The EC Directive on the Legal Protection of Databases contains many of the same concepts for database protection as the Draft Treaty, including protection for databases based on qualitative and/or quantitative investment and protection of the content of such databases, including otherwise unprotected facts and public domain materials, against extraction and use without the database maker's permission. *See* EC Directive at Articles 7- 12. In fact, the Draft Treaty was based largely on the EC Directive.

[17]TRIPS at Article 10(2).

[18]*Id.*

Current US copyright law grants creators a limited monopoly for their "original" databases. After a maximum period of the life of the author plus fifty years,[19] the work is dedicated to the public. The Draft Treaty, despite its facial limitations, actually grants a database maker a perpetual monopoly over the facts in the database. Although the proposed alternatives in Article 8 provide for a 15 or 25 year term of protection,[20] "[a]ny substantial change to the database"shall qualify for an additional term of protection.[21] Such "substantial change" does not require a proportionate "substantial investment." To the contrary, the "accumulation of successive additions, deletions, verifications, modifications in organization or presentation, or other alterations, which constitute a new substantial investment" is sufficient. Since "substantial investment" includes a "qualitative" investment,[22] efforts to maintain an up-dated database, regardless of the amount of time, labor or capital required, should qualify. Thus, once a database maker creates a protectable database, her ability to maintain rights in that database, and the facts contained therein, becomes unlimited.

Although I have focused my comments solely on the issue of the Draft Treaty for the Protection of Databases, there are other serious issues posed by the Draft Treaty which require serious consideration and deliberation. Rash decisions regarding the scope of protection for databases and the treatment of Internet communications (covered by Articles 7, 10 and 13 of the Draft Substantive Treaty Provisions on Certain Questions Concerning the Protection of Literary and Artistic Works) could undermine the current "edge" which US technology enjoys in the global marketplace. Although the US would always have the option of declining to accede to the new Treaty (if it were adopted) or failing to enact legislation in accordance with its provisions, these options ignore the fact that a treaty adopted in an international forum such as WIPO will undoubtedly be perceived as establishing an international protection standard for the future. Now is the time to delay the rush to an inadequate solution and to urge all nations to study the issue more thoroughly so that any international standard will adequately meet the needs of both content and database providers, and the public.

Thank you for this opportunity to address these critical issues. Please do not hesitate to call me if I can be of any further assistance in this matter.

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[19] 17 U.S.C. §302(a). For works created by non-human creators, the term of protection is seventy-five years. 17 U.S.C. §302(c).

[20] Article 8(1) and (2).

[21] Article 8(3).

[22] Article 2(iv).

For the sake of convenience, I am also submitting these comments electronically.

Sincerely,

Doris Estelle Long