Is a Sui Generis Approach to Database Protection Necessary?

by Doris Estelle Long[1]

I. Introduction: The Renewed Attention to Database Protection

The past three years have seen renewed attention at both the national and international level to the problem of the scope of protection to be afforded computer databases. The advent of the Information Age, and the concomitant growth of a global digital marketplace, has provided database compilers with burgeoning new competitive opportunities. But such opportunities carry with them the increased threat of free-riding. The same technology that has opened new competitive vistas has also increased a competitor's ability to utilize the compiler's data in creating its own competitive products.

The issue of the allocation of rights between the original compiler, end-users, and second-comers to the marketplace is not a new one. What is new is the increased international attention focused on the problem. The past two years have seen the adoption of a new Directive in the European Union,[2] the circulation of a draft treaty by WIPO[3] and two proposed bills in the U.S. Congress[4] dealing with the subject of the scope of protection to be afforded databases. One

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[2]Directive of the European Parliament on the Legal Protection of Databases, 1996 OJL77 (March 27, 1996) (hereinafter "Directive").

[3]WIPO Draft Treaty on Intellectual Property in Respect of Databases, CRNR/DC/6 (August 30, 1996) (hereinafter "Draft Treaty").

[4]The Database Investment and Intellectual Property Antipiracy Act of 1996, HR 3531,

of the primary points of contention that has arisen as a result of these efforts, and the focal point of this paper, is whether, on a national or international scale, protection of computer databases should be subjected to a specialized regime outside the protection provided under copyright law. The answer to this question must necessarily focus on two basic issues: First, can copyright law be used to protect adequately the rights of database makers to ensure a requisite economic return that encourages continued creation of such databases? Second, if the answer to this initial question is no, then a more narrower question must be answered: What elements of copyright law, if any, should be retained in creating a sui generis brand of protection? More specifically, should intellectual creativity be included in any such sui generis scheme?

The ultimate decision reached regarding the scope of protection, if any, to be afforded databases will unquestionably 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 there is no international consensus on the standard for international protection of databases, database providers will continue to be subject to a patchwork of inconsistent protection standards that make investment decisions uncertain.

Perhaps even more likely, given the apparently strong protection provided computer

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104th Cong. (1996)(introduced by Representative Carlos Moorehead) and The Collections of Information Antipiracy Act of 1997, H.R. 2652, 105th Cong. (1977) (introduced by Representative Howard Coble).

databases under the EC Directive on the Legal Protection of Databases,[5] US database providers may well suffer economic harm due to the perceived competitive advantage granted European database makers under the EC Directive.[6] This perceived competitive advantage, in a worst case scenario, would permit European database makers to make uncompensated use of unprotected, U.S. databases to create competing databases. European second-comers could then obtain exclusive rights in Europe for these databases, effectively excluding the original U.S. compiler from competing in the lucrative European market.

A. Background Assumptions

There are certain assumptions underlying this paper which must be understood in order to place its analysis and conclusions in an understandable framework. First, this paper will examine the issue of database protection through the sole focus of copyright laws, and the sui generis regimes that have been devised to "correct" perceived limitations in copyright coverage. Privacy of data, its transparency and other issues that may impact the public availability of any particular database, transborder limitations on transfers of such data, and proposed "unfair

[5]Directive, *supra* note 1.

[6]Some commentators indicate that the perceived competitive advantage is a phantasm, with no empirical basis. They further claim that this nightmare scenario could be easily circumvented by establishing European subsidiaries that could take advantage of the protection afforded European databases under the EC Directive. The efficacy or cost of these solutions has yet to be determined. *See, e.g.,* Jonathon Band & Jonathon Gowdy, *Sui Generis Database Protection: Has its Time Come?,* D-Lib Magazine (June 1997).

competition"[7] schemes are beyond the scope of this paper.[8]

Second, perhaps the most important assumption underscoring this paper is that the current debate over the protection to be afforded databases, both on the international scene and in the United States, must be informed by, and cognizant of, the EC Directive on the Legal Protection of Databases, adopted on March 1, 1996.[9] The EC Directive has already served as the basis for the Draft Database Treaty[10] circulated at the WIPO Diplomatic Conference in December 1996[11] and for the Database Investment and Intellectual Property Antipiracy Act of

[7]The recently proposed Collections of Information Antipiracy Act, introduced by Representative Coble, (HR 2652) is a hybrid sui generis solution. HR 2652, 105th Cong. (1997). It bases its protection upon both substantial investment to qualify for protection (a copyright-type principle) *and* unfair competitive intent and effect. To the extent that HR 2652 incorporates copyright analogues, it will be addressed in this paper.

[8]Similarly contractual and technological solutions to the "problems" posed by the perceived lack of "sufficient" protection for databases will not be discussed. It is the author's contention that while such contractual and technological "solutions" should not be ignored, they are of relatively limited usefulness in establishing an intellectual property rights policy unless an ad hoc method of protection is desired. Quite simply, technological "fixes" can always be undone, and contract resolutions tend to protect the strong and sophisticated.

[9]Directive, *supra* note 1.

[10]Draft Treaty, *supra* note 2.

[11]Although the Draft Treaty was placed on the agenda at the Geneva Conference, it was not discussed. Instead, the Conference recommended "the convocation of an extra ordinary session of the competent WIPO Governing Bodies ... to decide on the schedule of further preparatory work on a Treaty in Intellectual Property in Respect of Databases." Recommendation Concerning Databases, CRNR/DC/100 (Dec. 20, 1996). As a result of this Recommendation, the International Bureau of WIPO has been gathering information on database practices during 1997.

1996[12] (HR 3531) which was introduced last year in Congress.[13] That Directive has already answered the question of whether a sui generis regime is necessary with a resounding "yes." Although the Directive provides that databases which, "by reason of the selection or arrangement of their contents constitute the author's own intellectual creation" must be protected under copyright,[14] it goes on to create a sui generis right of protection for the makers of databases based, *not* on any intellectual creativity represented by the database compilation, but on the investment required to create it.[15]

In addition to eliminating any requirement for originality or intellectual creativity,[16] the EC Directive grants database makers a 15 year monopoly over the use of the contents of their databases,[17] including the extraction of a "substantial part of the contents of the database to

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[12]*See* note 3 *supra*.

[13]This bill was not acted upon and has not been re-introduced during the current session. The Collections of Information Antipiracy Act (HR 2652) also reflects the impact of the EC Directive since it adopts some of the Directive's major features, including substantial investment protection threshold and a grant to database compilers of the right to prohibit the extraction of unprotected facts in certain circumstances. *See* notes 21, 45 & 63 *infra*.

[14]Directive, *supra* note 1 at Article 3 (1). This language largely tracks Article 10 of TRIPS which protects "compilations of data or other material ... which by reason of the selection or arrangement of their contents constitute intellectual creations." Agreement on Trade Related Aspects of Intellectual Property Rights, 22 I.L.M. 81 at Art. 10. *See also* note 78 *infra* and related text.

[15]Directive, *supra* note 1, at Article 7.

[16]The Directive required nations to continue to protect databases containing such creativity under copyright law. Directive, *supra* note 1, at Article 3. However, it then went beyond this requirement in fashioning the sui generis scheme that is the focus of this paper.

[17]Directive, *supra* note 1, at Article 10.

another medium."[18] This extraction protection includes protection against the unauthorized extraction of factual materials.[19] As note above, these same general concepts appear in the Database Investment Antipiracy Act (HR 3531),[20] and in the WIPO Draft Database Treaty.[21] Consequently, the nature of the debate over the scope of protection to be afforded intellectual property rights in databases is largely understood with this historical background firmly in mind.

B. US and EC Protection Schemes

There is no statutory definition under current US copyright law for a database. However, since databases have generally been protected as "compilations,"[22] a good working definition

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[18] *Id.* at Article 7.

[19] *See* discussion *infra* at notes 49-58.

[20] *See* note 3 *supra*.

[21] *See* note 2 *supra*. By contrast, the Collections of Information Antipiracy Act (HR 2652), while utilizing a sui generis protection regime, does not adopt the copyright analogue scheme of the EC Directive. Instead, it appears to use a sui generis scheme based on a hybrid of copyright and unfair competition principles. Thus, although HR 2652 premises protection on the "investment of substantial monetary or other resources," it only protects against unauthorized extraction "so as to harm [the database owner's] actual or potential market for a product or service that incorporates the collection of information." HR 2652, 105th Cong. § 1201 (1997).

[22] *See*, *e.g., Eckes v. Card Prices Update*, 736 F.2d 859 (2d Cir. 1984); *Tasini v. New York Times Co.*, 972 F. Supp. 804, 821 (S.D.N.Y. 1977)(calling the analysis used in database infringement cases "virtually identical" to that used in compilation infringement cases).

A compilation under U.S. law is defined as "a work formed by the collection and assembling of pre-existing materials or of data selected, coordinated, or arranged in such a way that the resulting work as a whole constitutes an original work of authorship." 17 U.S.C. § 101. Section 103(b) of the 1976 Copyright Act makes clear that protection in a compilation "extends only to the material contributed by an author of such work." 17 U.S.C. §103(b).

might be “a compilation or collection of diverse data, information and/or materials assembled or arranged in a systematic or methodical way which may be individually accessible by electronic or other means, now known or later developed.”

The EC Directive defines a database as “ a collection of independent works, data or other materials arranged in a systematic or methodical way and individually accessible by electronic or other means.”[23] The WIPO Draft Treaty uses the identical definition.[24] The Database Investment and Intellectual Property Antipiracy Act of 1996 (HR 3531) defined a database as “ a collection, assembly or compilation in any form or medium now or later known or developed, of works, data or other materials arranged in a systematic or methodical way.”[25] The recently introduced Collections of Information Antipiracy Act (HR 2652) does not use the term "database" but instead uses the phrase "collections of information," which remains undefined.[26] The bill, however, defines "information" as "facts, data, works of authorship or any other intangible material capable of being collected and organized in a systematic way."[27]

From these various definitions may be derived a few working concepts: that a database has at its heart a compilation or collection of materials; that it generally takes some investment of time, money and/or labor to compile the information to be contained in a database; that such

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[23]Directive, *supra* note 1, at Article 1 (2).

[24]Draft Treaty, *supra* note 2, at Article 2 (I).

[25]HR 3531, 104th Cong. §2 (1996).

[26]HR 2652, 105th Cong. § 1201 (1997).

[27]*Id*.

information may be composed partly or wholly of factual information, including, for example, statistics; and that the usefulness of such databases may reside either in the ready access to the facts or other information compiled by the creator of the database or in the compilation nature of the database *(ie*. "If you want all the pertinent data about a particular subject come to this database."). This paradigm of the key features of a database provides a useful framework for analyzing whether a sui generis regime (one that is outside the parameters of copyright law, but may borrow some of its concepts) is required to assure the appropriate incentive-levels of protection.

II. The Scope of Protection of Database Information

A. Current US Law

The question of the scope of protection for databases under current US law turns largely on the types of materials which compose the database. While US copyright law recognizes that compilations are subject to copyright protection,[28] such protection extends only to the compilation itself and not necessarily to the compiled information. Where a compilation is composed of strictly factual materials, such facts are not protected under copyright law.[29] Furthermore, under the US Supreme Court's critical decision in F*eist Publications, Inc. v. Rural*

[28]*See* note 22 *supra*.

[29] *See, e.g., Rockford Map Publishers, Inc. v. Directory Service Co. Of Colorado, Inc.*, 768 F.2d 145 (7th Cir. 1985), *cert. denied,* 474 U.S. 1061 (1986); *Financial Info. Inc. v. Moody's Investors Services, Inc.,* 808 F.2d 204 (2d Cir. 1986), *cert. denied,* 484 U.S. 820 1987); *ProCD, Inc. v. Zeidenberg,* 908 F. Supp. 640, 647 (W.D. Wisc. 1996), *rev'd on other grounds*, 86 F.3d 1447 (7th Cir. 1996). *See also* 17 U.S.C. § 102 (b) (facts are not subject to copyright protection).

Telephone Service Co.,[30] the compilation itself may not be protected unless it meets US requirements of intellectual creativity.

One of the fundamental actuating principles 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."[31] The fair use doctrine, codified in Section 107 of the present Copyright Act,[32] the idea/expression dichotomy, extending

[30]499 U.S. 340 (1991). *See* discussion *infra* at note 35.

[31]US Const., Art. I, § 8, cl. 8.

[32]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.

Id. No one factor is determinative.

protection only to "expressive elements,"[33] and the requirement of "originality"[34] 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 (uncompensated) access by the public to such works.

Databases are protected under US copyright law so long as such databases meet the requirement of originality which is the watchword of US protection. In *Feist Publications, Inc. v. Rural Telephone Service Co.*,[35] 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. The court specifically rejected any attempt to obtain protection based upon the time spent in developing and verifying the information contained in the yellow pages (referred to as "sweat of the brow").

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[33]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).

[34]U.S. copyright law extends protection to "original works of authorship fixed in any tangible medium of expression now 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*).

[35]499 U.S. 340 (1991).

Despite the refusal to protect the white pages in *Feist*, other compilations of fact have been protected where such compilations or directories demonstrate some original selection or arrangement. Thus, for example, in *Key Publications, Inc. v. Chinatown Today Publishing Enterprises, Inc.*,[36] 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 where the compiler had only included those businesses which she believed would be in existence in a year's time. Similarly, in *Kregos v. Associated Press*[37] the court found that a form for compiling statistics for baseball pitchers displayed sufficient originality where the selected statistics had not all appeared on prior forms and clearly represented the compiler's personal opinion as to which facts had predictive ability.

The Copyright Office in its recent Report on Database Protection, published August 27, 1997,[38] stressed that *Feist* has not resulted in a significant change in Copyright Office practices with regard to registering claims to factual compilations. Instead, the Office has continued to accept most compilations for registration.[39] Although the Copyright Office candidly recognized in its report, "[i]t is impossible to know . . . how many compilation claims are not submitted because their owners are concerned that the Office will question copyrightability or refuse

[36]945 F.2d 509 (1991).

[37]937 F.2d 700 (2d Cir 1991).

[38]US Copyright Office, *Report on Legal Protection for Databases* 1 (1997).

[39]*Id.* at 36.

registration,"[40] the point is that databases in the post-*Feist* era have not disappeared from the face of copyright protection.[41]

B. The EC Directive and the Draft Treaty

In contrast to the US requirement of some level of intellectual creativity, the EC Database Directive grants substantial protection to databases based on the existence of "a quantitative or qualitative substantial investment in either obtaining, verification or presentation of the contents."[42] Intellectual creativity is not required. Neither is innovation. All that is required is some investment of time, money and effort.

Because of the strong role which the EC currently plays in international harmonization efforts, there is a strong sentiment internationally for adopting a database protection standard that ignores the intellectual creation element that has been the bulwark of US copyright law. Indeed, the Database Investment Act of 1996 (HR 3531) proposed abandonment of this standard in exchange for a new sui generis regime which reflected most of the concepts of the EC Database Directive, including the extremely low protection threshold of "substantial investment." This standard was also used in the WIPO Draft Database Treaty circulated, but not acted upon, at the

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[40] *Id.* at 37.

[41] *CCC Information Services, Inc. v. Maclean Hunter Market Reports, Inc.,* 44 F.3d 61, 67 (2d Cir. 1994)(court finds "professional judgment and expertise" in creating a database comprised of used car valuations supports originality); *Corsearch v. Thomson & Thomson,* 972 F. Supp. 305, 322 (S.D.N.Y. 1992)(upholding copyright in database composed of state trademark information because the author "select[ed], coordinate[d], arrange[d], enhance[d], and program[med] [the] data"). *See also* notes 36 - 37 *supra*.

[42] Directive, *supra* note 1, at Article 7.

Diplomatic Conference in December 1996. That Draft Treaty provided protection to "any database that represents a substantial investment in the collection, assembly, verification, organization or presentation of the contents of the database."[43]

Despite claims to the contrary,[44] the "substantial investment" standard in the EC Database Directive and in the WIPO Draft Treaty are not as high as proponents would have one believe.[45] "Substantiality" in both cases is based on an unspecified amount of resources used in the preparation of the database.[46] Although the Directive does not specify what types of "investment" may be considered, the WIPO Draft Treaty expressly provides that significant investments in "human, financial, technical or other resources" qualify.[47]

Under both the EC and Draft Treaty standards, substantiality of investment may be demonstrated through "quantity" (numbers matter) *or* through "quality" (presumably based on

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[43]Draft Treaty, *supra* note 2, at Article 1 (1).

[44]G.M. Hunsucker, *The European Database Directive: Regional Stepping Stone to an International Model?*, 7 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 697, 704 (1997); Jane C. Ginsburg, *No Sweat? Copyright and Other Protection of Works of Information After Feist v. Rural Telephone,* 92 COLUM. L. REV. 338, 383 - 84 (1992).

[45]The low *protection* threshold posed by a "substantial investment" standard remains problematic under the recently proposed Collections of Information Antipiracy Act (HR 2652) which similarly limits its sui generis protection to collections of information "gathered, organized, or maintained by another person through the investment of *substantial* monetary or other resources ..." HR 2652, 105th Cong. § 1201 (1997)(emphasis added).

[46]The EC Directive requires substantiality in "the obtaining, verification or presentation of the contents." Directive, *supra* note 1, at Article 7 (1). The Draft Treaty requires substantiality in “the collection, assembly, verification, organization or presentation of the contents of the database." Draft Treaty, *supra* note 2, at Article 1(1).

[47]Draft Treaty, *supra* note 2, at Article 2 (iv).

the difficulty of the task although the factors in deciding such difficulty remain unspecified). I do not mean to suggest that "substantiality" has no meaning. Clearly some modicum of investment in time, money *or* effort is required. The problem is --- "substantial" may not be so "substantial" after all. Does a database composed of three entries qualify for protection, if the cost for obtaining those entries is "substantial"? Does a database composed of the white pages of a telephone directory qualify for protection if "substantial time" is spent verifying those entries? I suspect that the answer may be "yes" under both the EC Directive and the WIPO Draft Treaty. Whether such databases *should* be protected as a policy matter however, is far from clear.

The adoption of a relatively low threshold for protection under the EC Directive and the WIPO Draft Treaty must be balanced against the scope of rights granted database creators and owners, including most importantly, control over the use of the information contained in the database, to determine if such protection is warranted.

Under current US law, facts are not protected under copyright law. A database owner cannot restrict the use of factual information contained in an otherwise protectable database. Admittedly, the owner can control access to the database as a whole by refusing distribution of, or access to, her creation, but once access is obtained in a lawful manner, a database user may extract factual information from that database, and use such factual information without the database creator's permission and without paying a compulsory license or similar fee.[48]

The rights granted a database creator under the sui generis proposals of the EC Directive

[48]Contractual arrangements which alter this scheme of protection and require payment of extraction fees for unprotected factual data may be unenforceable as a misuse of copyright. *See Lasercomb America Inc. v. Reynolds*, 911 F.2d 970 (4th Cir. 1990).

and the WIPO Draft Treaty are not so narrowly circumscribed.

Under Article 7 of the EC Directive, a qualifying database maker is granted the right "to prevent extraction and/or reutilization of the whole or of a substantial part . . . of the contents of the database."[49] Once again "substantiality" is measured quantitatively or qualitatively.[50] The right of extraction under the Directive includes "the permanent or temporary transfer of all or a substantial part of the contents to another medium by any means."[51] Thus, transferring pure facts from a database requires the permission of the database maker. Moreover, the substantiality requirement under the extraction right can be met by the "repeated and systematic extraction . . . of unsubstantial parts of the contents of the database."[52] The intention is apparently to prohibit acts "which conflict with a normal exploitation of the database"[53] or "which unreasonably prejudice the legitimate interests"of the database maker.[54]

Since the "legitimate interests" of the database maker include the right to control the use of its database, including its compiled materials, regardless of their nature, I am hard pressed to see how repeated extractions of factual data would somehow escape the strictures of the Directive. Thus, under the sui generis system established by the EC Directive, there is a real

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[49]Directive, *supra* note 1, at Article 7(1).

[50]*Id*.

[51]*Id*. at Article 7 (2).

[52]*Id*. at Article 7 (2)(a).

[53]*Id*. at 7 (5).

[54]*Id*.

threat that data base compilers will be able to control the subsequent use of the factual information contained in their databases. This potential monopolization of facts has no US equivalent, and is in fact directly contrary to the Constitutional underpinnings of most US intellectual property laws. The potential harm of such broad protection is mitigated somewhat in the EC Directive by permissible exceptions set forth in Article 9. These exceptions permit uncompensated extraction in the following situations:

1) for teaching or scientific research so long as the source is indicated;[55]

2) for "purposes of public security;"[56]

3) for purposes of "an administrative or judicial procedure;"[57] and

4) for "private purposes" but only if the extraction is made from a "non-electronic database."[58]

These exceptions it should be noted are not mandatory, but permissive.

The WIPO Draft Treaty establishes the same right of extraction as the Directive with the same potential for monopolization of compiled facts. Under Article 3 of the Draft Treaty, the database maker is granted the right "to authorize or prohibit the extraction or utilization of [the] contents [of the database]."[59] This right of extraction includes "the permanent or temporary

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[55]*Id.* at Article 9 (b). The use is further limited so that such extraction is proper "to the extent justified by the non-commercial purpose to be achieved." *Id*.

[56]*Id*. at Art. 9 (c).

[57]*Id*.

[58]*Id* at Art. 9 (a).

[59]Draft Treaty, *supra* note 2, at Article 3.

transfer of all or a substantial part of the contents of a database to another medium."[60] Thus, similar to the EC Directive, transferring pure facts from a database requires the permission of the database maker. Moreover, unlike the Directive there are no express exceptions in the Draft Treaty for any type of scientific research, news reporting, education or private use of the compiled material.[61] The requirement that only "substantial" unauthorized use is prohibited provides little comfort since "substantial use" is defined under the 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."[62] Consequently, both the EC Directive and the WIPO Draft Treaty pose the very real threat that database compilers will be able to monopolize the facts contained in their databases.[63]

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[60]Draft Treaty, *supra* note 2, at Article 2 (v) (defining "extraction").

[61]Article 5 of the Draft Treaty 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." Draft Treaty, *supra* note 2, at Article 5 (1). The Article does not list categories of use that might qualify for such exception. Moreover, any 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 or news reporting.

[62]Draft Treaty, *supra*, note 2, at Article 2 (v) (defining "substantial part").

[63]The Database Investment Antipiracy Act (HR 3531) poses a similar threat since it grants the same extraction and re-utilization rights to database compilers. HR 3531, 104th Cong. § 2 (1996). The Collections of Information Antipiracy Act (HR 2652) also poses a threat of monopolization since it grants database compilers a right of control over extraction of facts. HR 2652, 105th Cong. § 1201 (1996). Unlike HR 3531, however, HR 2652 excludes certain uses from protection, including using or extracting the information "for not-for-profit educational, scientific and research purposes in a manner that does not harm the actual or potential market for the product .." or for "news reporting." *Id.* at § 1202. The effectiveness of such exceptions remains uncertain. *See* discussion *infra*.

C. The Term of Protection

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,[64] the work is dedicated to the public. The EC Directive provides for a 15 year term measured from the date of completion or public availability, whichever is later.[65] "[A]ny substantial change to the database," however, is sufficient to qualify for an additional term of protection.[66] Such "substantial change" does not require a proportionate "substantial investment." To the contrary, "the accumulation of successive additions, deletions or alterations which would result in the database being considered a substantial new investment" is sufficient to qualify for such additional term.[67] The Draft Treaty contains virtually the identical requirements for protection.[68]

Since the concept of "substantial investment" under both the EC Directive and the WIPO

[64]17 U.S.C. § 302 (a). For works created by non-natural creators, the term of protection is generally seventy-five years. 17 U.S.C. § 302 (c).

[65]Directive, *supra* note 1, at Art. 10 (1) & (2). The WIPO Draft Treaty provides for alternative terms of protection of either 15 or 25 years. Draft Treaty *supra* note 2, at Article 8 (1) and (2).

[66]Directive, *supra* note 1, at Art. 10. The identical language appears in the WIPO Draft Treaty. Draft Treaty, *supra* note 2, at Article 8 (3).

[67]*Id*. at Article 10 (3). Similarly, Article 8 of the WIPO Draft Treaty provides that the "accumulation of successive additions, deletions, verifications, modifications in organization or presentation, or other alteration, which constitute a new substantial investment" would qualify for additional terms of protection. Draft Treaty, *supra* note 2, at Article 8.

[68]*See* notes 65-66 *supra*.

Draft Treaty includes a "qualitative" investment,[69] 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.

III. Is a Sui Generis Protection Regime Required?

There is no question that the creation of databases, in general, often, if not always, requires a substantial investment in time, labor and/or 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.

Such encouragement, however, must be carefully circumscribed to assure the appropriate balance between the proprietor's's and the public's interests. The goal of database protection should

be to encourage the compilation of materials in a usable format. What should be protected is the act of compilation, *not* the underlying materials themselves. Protection standards which grant database owners exclusive control over the facts contained in their databases may well harm the public.

In an era when developing countries are wrestling with the problems of transparency of

[69]Draft Treaty, *supra* note 2, at Article 2 (iv); Directive, *supra* note 1, at Article 10 (3).

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 research, educational 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. If the first compiler of this information is granted the exclusive control over such government-developed data, the public could be denied access to information gathered by government officials, using the public's money, simply because the database is created by a non-governmental agency. The public, in effect, would not be able to use such data without paying for the privilege![70]

I am willing to accept, for the sake of argument, that current copyright standards may not adequately protect all those databases which ought to be protected from a policy point of view. Copyright law has long recognized that economic incentives must be provided to assure creators will spend the time, money and effort required to create desirable works. Databases clearly fall within the category of works whose creation should be encouraged.

I am also willing to accept that the current standard of "originality" may raise barriers for protection whose result might be to deny protection to some works which *ought* to be protected to encourage their continued creation. These factors, however, do not *mandate* adoption of sui generis protection. If the goal is to protect the act of compilation, adopting a sui generis approach that protects the gathered material may be the equivalent of using a blowtorch to light a

[70]The Collections of Information Antipiracy Act (HR 2652) at least attempts to avoid this absurd result by excluding protection to collections of information "gathered, organized, or maintained" by a "governmental entity .. , including any employee or agent," or by "any person exclusively licensed by such entity." HR 2652, 105th Cong. § 1203 (a)(1997).

cigar. And the person most likely to be burned is the general public.

The sui generis approaches posited in the EC Directive, the WIPO Draft Database Treaty and the Database Investment Antipiracy Act (HR 3531) all present the very real potential that a database maker may be granted a perpetual monopoly over the facts contained in his database.[71]

Quite frankly, I believe that sui generis "fixes" have become the "flavor of the month," for a broad variety of perceived protection "problems." Instead of developing workable standards

under existing protection regimes, we kick them over in the hopes that in starting from a clean slate, we will somehow improve matters. The Semiconductor Chip Protection Act [72] stands as a sad monument to the folly of this approach.

I do not mean to suggest that no changes are required to current law. If the goal of protection is to assure continued compilation efforts, then laws must provide adequate protection to the resulting compilation. Current "originality" standards need to be clarified to assure such protection. As *Feist* and its progeny have properly recognized, originality extends to original selection *or* presentation. The special nature of databases requires that courts base their determination of originality on the type of creativity which may be involved in creating a

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[71]The Collections of Information Antipiracy Act (HR 2652) may pose a similar threat since it uses the same low threshold of protection -- substantial investment -- and grants database compilers *rights* over the extraction of factual data. HR 2652, 105th Cong. § 1201 (1997). Even worse, unlike the EC Directive, the WIPO Draft Treaty or the Database Investment Antipiracy Act (HR 3531), HR 2652 does not place a term limit on the rights granted a database compiler. Thus, the threat of perpetual monopolization seems even greater than in previous proposed sui generis regimes.

[72]17 U.S.C. §§ 901 - 914 (1997).

database. In a well-reasoned analysis of the special nature of creativity involved in the compiler's art, the dissent in *Warren Publishing Inc. v. Microdos Data Corporation*[73] properly recognized:

> The creator of a compilation responds to a perceived need for information, and that response may be a highly creative act .... Responding to the perceived need the compiler must choose the facts it wants and devise a framework for the data to be assembled, which includes formulating rules and identifying categories that may be highly selective but are not necessarily so. Categories desired may be limited or dictated by their utility or by the marketplace and hence involve no originality, or they may be original to the compiler. It is at this identification/formulation of categories stage that the compiler moves from uncopyrightable idea to acts of selection that are the expression of his ideas.[74]

I do not advocate a return to "sweat of the brow." What I do advocate is that a substantial investment in time, money or effort to create a new database *may* help demonstrate that such database is not "entirely typical" or "obvious."[75] It is too easy for courts to use hindsight to claim that they do not find the organizing principle of a database particularly original. Commercial success, satisfaction of a long felt need or substantial investment in the creation of the database,

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[73] 115 F. 3d 1509 (11th Cir. 1997).

[74] *Id.* at 1521 (citations omitted).

[75] *See Feist Publications, Inc. v. Rural Telephone Service Co*., 499 U.S. 340, 362 (1991) (court distinguishes between protected "original" expression and factual compilations which are "entirely typical," "garden-variety" or "obvious").

however, ought to be considered indicators of potential originality. Furthermore, courts should keep in mind that only a "modicum of creativity" is required for protection to attach.[76]

Once a work is protected, reproduction of the database, in whole or in part, should be readily prohibited under current standards. Once again, it is not the extraction of data itself which should be prohibited. It is its unauthorized reproduction to such an extent that the original elements of the database (its selection or presentation) have been infringed.

If a sui generis approach is to be adopted the rejection of any intellectual creativity requirement in such a scheme should be carefully considered. 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, this norm is not, and 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."[77] Such protection under TRIPS, however, is restricted to the compilation and "[does] not extend to the data or material itself."[78] At least an "intellectual creativity" requirement assures that facts *per se* are not removed from

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[76]*Id*.

[77]TRIPS at Article 10 (2).

[78]*Id.*

the

public’s unfettered use.

Protection regimes that require users to pay as they go for access to unprotected facts ignores centuries of careful balance between creators' and the public's rights represented by copyright law. The solution is to correct existing law -- not march head-long into a new legal quagmire. Database protection is far too critical an issue to trust to legal prestidigitation. Before we kick over a two-centuries-old regime simply because we are dazzled by the potential problems of "technology," we should remember that technology is a continuing process. Copyright has always dealt with the problems of technology. From photography, to sound recordings, to motion pictures, copyright has had to cope with technological advances. There is no reason to abandon this approach now simply because the technology at issue (digitization) appears difficult to control. Any effort to develop a sui generis scheme outside copyright analogies raises serious policy issues. Competitive harm caused by the unauthorized copying and/or distribution of a database (in whole or in part) is already covered by copyright law. Such laws clearly prohibit the scope of protection envisioned by WIPO and the EC Directive. Any "special protection" of a sui generis regime that ignores this competition policy should be accepted only after clear and convincing evidence that such policy is no longer desirable.

Any grant of a one-sided monopoly over facts -- the fundamental building block of scientific and historic research, of educational instruction, and news reporting and business prognostication -- must be rejected. The easy answer to this criticism is to provide a "fair use" loophole so that certain users will be excluded from protection, similar to Article 9 of the EC

Directive.[79] Experience with"fair use" to date under copyright analogues demonstrates that fair uses are not so broad as we might hope. Since US law has yet to recognize an absolute right of fair use, I doubt such will be developed for databases. Instead, users will be subjected to a case-by-case investigation which will no doubt find that the database maker's economic interests outweigh most potentially fair uses. Such lack of clarity might be acceptable if sui generis protection of otherwise unprotectable contents were required. But it is not.

[79]*See* notes 55-58 *supra* and accompanying text.