

Was *Feist* a catalyst for the structure of Database Directive? : A legal exploration of the implications of the *Feist* decision

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by

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ABSTRACT

This thesis studies the influence of US Supreme Court judgement in *Feist Publications Inc. v. Rural Telephone Service Co* on Directive 96/9/EC. It primarily looks at the implications of *Feist* decision, and the influence that it had on European legislation.

The decision in *Feist Publications* led the Commission to believe two things: *Feist* created a new-line of jurisprudence in US in the context of copyright protection of factual databases, and the decision will be detrimental for future production of electronic databases. This thesis shows that the *Feist* decision was a clarification of existing copyright law. As an example, the thesis observes that the US database market did not react to any apprehended negative impact of *Feist*. In the US, where there was no specific Database Right, *Feist* has had negligible practical and doctrinal impact.

The *Feist* decision also left an indelible mark on the overall structure of the Database Directive. While Article 3 represented the positive impact, Article 7 was surrounded by uncertainties and ambiguities. This Article represents the outcome of apprehending negative impact of *Feist*. This has resulted in an imbalance which must be rectified and only a limited amount of protection should be offered to producers in absence of evidence.

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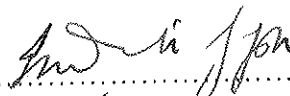
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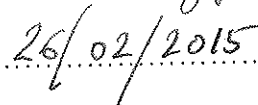
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I certify that the work presented in this thesis is my own unless otherwise referenced.

Signature.....

Date.....

ABBREVIATIONS

AOIC: Author's own Intellectual Creation

Ariz. St. L J: Arizona State Law Journal

ASCII: American Standard Code for Information Interchange

BCL L Rev: Boston College Law Review

Berkeley Tech LJ: Berkeley Technology Law Journal

BHB: British Horseracing Board

BGH-IZR: German Federal Court of Justice

Can Bus L J: Canadian Business Law Journal

Chicago-Kent L Rev: Chicago-Kent Law Review

CIS: Congressional Information Service

CJEU: The Court of Justice of the European Union

CLR Int'l: Computer Law Review International

CLSR: Computer Law and Security Report

CMLR: Common Market Law Review

Colum J L & Soc Probs: Columbia Journal of Law and Social Problems

Colum L Rev: Columbia Law Review

COM: Commission

Comm & Law: Communication and Law

Computer L Rev & Tech: Computer Law Review and Technology

CPDA: Copyright Designs and Patent Act

CRDR: Copyright and Rights in Databases Regulations

CW: Copyright World

DePaul- LCA J. Art & Ent L: DePaul- LCA Journal of Art and Entertainment Law

DMCA: Digital Millennium Copyright Act

E L Rev: European Law Review

EADP: European Association of Directory and Database Publishers

EBBA: European Border Breakers Awards

ECC: European Commercial Cases

ECDR: European Copyright and Design Report

ECJ: The European Court of Justice

ECR: European Court Reports

ECU: European Currency Unit

EDNY: Eastern District of New York

EEC: European Economic Community

EEPROM: Electronically Erasable Programmable Read-Only Memory

EIPR: European Intellectual Property Review

Ent L Rev: Entertainment Law Review

EWCA: England and Wales Code of Appeal

EWHC: High Court of England and Wales

Federal Bar News & J: Federal Bar News & Journal

Fordham Int'l LJ: Fordham International Law Journal

Fordham Intell Prop Media & Ent L J: Fordham Intellectual Property Media and
Entertainment Law Journal

FSR: Fleet Street Reports

GDD: Gale Directory of Databases

Harv L Rev: Harvard Law Review

Hellenic Rev of Int'l L: Hellenic Review of International Law

High Tech L J: High Tech Law Journal

ICC Reports: Investors Capital Corporation Reports

IDEA Intell Prop L Rev: IDEA Intellectual Property Law Review

IIC: International Review of Intellectual Property and Competition Law

IJLIT: International Journal of Law and Information Technology

Int'l Rev of L & Econ: International Review of Law and Economics

Int'l Tax & Bus Law: International Tax and Business Law

Iowa L Rev: Iowa Law Review

IPQ: Intellectual Property Quarterly

IPR: Intellectual Property Review

IVIR: Institute for Information Law

J Econ Persp: Journal of Economic Perspectives

J Industrial Economics: Journal of Industrial Economics

J Intell Prop L: Journal of Intellectual Property Law

J Legal Stud: The Journal of Legal Studies

J of Tech L & P: Journal of Technology Law and Policy

Minn L Rev: Minnesota Law Review

Neb L Review: Nebraska Law Review

Notre Dame L Rev: Notre Dame Law Review

NRP: National Register Publishing

Ohio St L J: Ohio State Law Journal

OJ C: Official Journal of the European Union Information and Notices

OJ L: Official Journal of the European Union Legislation

Org Sci: Organization Science

Pat Trademark & Copyright J: Patent Trademark and Copyright Journal

PTO: Patent and Trading Office

RDF: Raw Data Feed

RIDA: The Revue Internationale Du Droit D'Auteur

Roger Williams UL Review: Roger Williams University Law Review

RPC: Restrictive Practices Court

RRP: Reed Reference Publishing

RTDcom: Revue trimestrielle de droit commercial et de droit économique

Santa Clara L Rev: Santa Clara Law Review

SDNY: Southern District of New York

Tex L Rev: Texas Law Review

The Geor Wash J of Int L & Econ: The George Washington Journal of
International Law and Economics

The Geor Wash L R: The George Washington Law Review

TPM: Technological Protection Measures

TRIPS: Trade-Related Aspects of Intellectual Property Rights

U Cin L Rev: University of Cincinnati Law Review

U Dayton L Rev: University of Dayton Law Review

U Pitt L R: University of Pittsburgh Law Review

UCLA L Rev: University of California Law Review

UKHL: United Kingdom House of Lords

Univ of Ottawa L T J: University of Ottawa Law and Technology Journal

USPQ: United States Patents Quarterly

USPTO: United States Patent and Trademark Office

VA JL & Tech: Virginia Journal of Law and Technology

Vand L Rev: Vanderbilt Law Review

Wash U J L & Pol'y: Washington University Journal of Law and Policy

WIPO: World Intellectual Property Organization

WLR: Weekly Law Reports

Yale J of L & Tech: Yale Journal of Law & Technology

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INTRODUCTION

The importance of databases is paramount because technology enables us to access vast amount of information in a systematic manner. In a typical database, a publisher collects and makes the information available at a single place and in a simple way.¹ A special incentive in the form of a Database Directive was created in Europe for publishers to increase investments towards production of databases. It was believed that in a digital age, owing to the risk of free-riding, database producers may not be interested in investing in database production without any special incentives safeguarding their investment.² Further, there were legal reasons as a result of diverse structure of available protection measures for databases in Europe.³ Other than the aforementioned reasons, the decision of US Supreme Court in *Feist Publications v Rural Telephone Service* was considered a benchmark for structuring the Database Directive in Europe.⁴

¹ The Database Directive under Article 1 defines database and it is “a collection of independent works, data or other materials arranged in a systematic or methodical way and individually accessible by electronic or other means”, Council Directive of 1996/9/EC of 27 March 1996 on the legal protection of databases [1996] OJ L 77/20 (Council Directive 96/9/EC).

² ‘DG Internal market and services working paper: First Evaluation of Directive 96/9/EC on the legal protection of databases’ (*Commission of the European Communities*, 12 December 2005) <http://ec.europa.eu/dgs/internal_market/evaluation/evaluationdatabasesdirective.pdf> (accessed 20 October 2008) (First Evaluation of Directive 96/9/EC), para [2.2].

³ *Ibid.*

⁴ 499 US 340 (1991).

This thesis questions the dependence on *Feist* in bringing about Database Directive, and also explores the implications of such dependence on the overall structure of the Directive.

The Database Directive offers a two-tier protection to both original and non-original databases. Article 3 harmonizes copyright protection of databases and protects original databases “by reason of selection or arrangement of their contents, constitut[ing] the author’s own intellectual creation.”⁵ This copyright protection does not extend to contents, but to the way such contents are selected or arranged. Where a database producer has invested substantially in obtaining, verifying or presenting the contents of a database, he may prevent extraction or re-utilization of such contents by virtue of Database Right under Article 7.⁶ The protection afforded by Article 7 is for databases where no author’s own intellectual creation is present. These are commonly referred to as ‘non-original’ databases.⁷

1.0 Background to the thesis

Although there were concerns regarding level of protection available for database producers, no concrete evidence of market failure was present to

⁵ Council Directive 96/9/EC, Chapter II; According to the Commission, in the member States there was a difference in the standard of originality for copyright protection of databases, Commission, ‘Proposal for a Council Directive on the legal protection of databases’ COM (92) 24 final (COM (92) 24 final), para [2.2.5].

⁶ Council Directive 96/9/EC, Chapter III.

⁷ The Database Directive offers protection to both original (Article 3) and non-original (Article 7) databases, First Evaluation of Directive 96/9/EC, para [1.1].

guide the formation of Database Directive.⁸ The first draft proposal portrayed enough scope and potential for European database market to grow, and compete internationally in the ensuing electronic information market.⁹ There was concern with existing fragmentation in the European market due to technical, legal and linguistic barriers.¹⁰ Further, development of the internet and electronic business happened in US long before it started in Europe with less than 60 percent databases produced in Europe were accessible in English language.¹¹ Under these circumstances, the Commission warranted rectification of legal barrier in member States. Producers who were involved in database industry could rely on a combination of existing measures to prevent unfair extraction of contents. These measures broadly included use of copyright law, unfair competition law, breach of confidence and general use of contractual provisions.¹² However, existing structure of incentives was not considered adequate in an electronic age where there were ample opportunities for European industry to grow and compete with United States.¹³ The biggest worry was with the available copyright protection, and it was feared that a single database might be treated differently in different member States

⁸ The first draft proposal talked about the challenges and the possibilities without concrete evidence of any problems; (COM (92) 24 final).

⁹ (COM (92) 24 final), para [2.0].

¹⁰ Ibid, para [2.1.3].

¹¹ Ibid, para [2.1.5].

¹² Stopping parasitic behaviour constituting the act of misappropriating the contents of databases by using unfair competition law is present in some member States, which would have done similar sort of function as the Database Right, (COM (92) 24 final), para [3.2.8].

¹³ "The situation as regards to the legal protection of databases in the member States", Explanatory memorandum (COM (92) 24 final), para [2.2]; Pointing to the fact that US dominated the database market at the point of the first draft proposal, (COM (92) 24 final), para [2.15.1].

owing to varied threshold of originality.¹⁴ There existed the presence of ‘sweat of the brow’ standard involving skill and labour in Common Law member States, whereas in *Droit d’Auteur* member States there was standard based on ‘intellectual creativity’.¹⁵ It was believed that it would be difficult to protect the contents of an electronic database, since there were no reliable technical measures to stop the act of illegal downloading.¹⁶ Under these conditions, a competitor database producer may not face any hindrance in copying contents, and re-selling it as a part of his own product.¹⁷ To the detriment of a database producer, there was a possibility that a competitor may be able to copy and reproduce electronic databases at low cost.¹⁸

Further, there was additional concern with the level of protection afforded to electronic databases. It was understood that electronic databases would be mostly comprehensive in nature, thereby excluding creativity in selection or arrangement.¹⁹ As a result, it would be unlikely for electronic databases to be a subject matter under copyright. With this growing uncertainty, producers would have less incentive towards production of electronic databases. Thus, this Database Directive wanted to create a platform for European producers to invest more towards database production by ensuring an atmosphere of stability.

¹⁴ (COM (92) 24 final), para [2.2.5].

¹⁵ First Evaluation of Directive 96/9/EC; sweat of the brow argument in the context of copyright protection of a compilation points to the labour expended towards its creation.

¹⁶ (COM (92) 24 final), pages [28]-[31].

¹⁷ Ibid, page [30].

¹⁸ Ibid, paras [3.1.11].

¹⁹ Ibid, page [30].

A composition of the aforementioned situation led to believe that electronic databases deserved a different type of incentive if Europe was to compete in the international market. While electronic databases were identified, there was no evidence mentioned in the proposal to suggest the type and amount of incentive required for database producers.²⁰ At this crucial juncture, the US Supreme Court decided *Feist*. The *Feist* decision involved copyrightability of a telephone directory. The Supreme Court held that a factual compilation must be original to merit copyright protection. This originality must be an outcome of creativity towards the selection or arrangement of contents.²¹ The jurisprudence surrounding the *Feist* decision was believed to be detrimental for electronic databases where there would be less selection or arrangement.²² On the contrary the perception in proposal was that databases in order to be useful, must be comprehensive in nature. *Feist* was believed to develop a new-line of jurisprudence replacing 'sweat of the brow' argument as a basis for copyright protection.²³ Further, the decision showed that copyright was not the correct type of protection measure for electronic databases. It was believed that *Feist* would have a negative impact on future production of databases.²⁴

Other than referring *Feist* decision in the explanatory memorandum to the first draft proposal, the evaluation report of the Database Directive questioned the implications of *Feist*.²⁵ Although the report was meant to evaluate the Directive,

²⁰ (COM (92) 24 final).

²¹ *Infra* chapter II.

²² (COM (92) 24 final), para [2.3.3].

²³ *Ibid.*

²⁴ *Ibid.*

²⁵ First evaluation of Directive 96/9/EC, para [2.4].

it only focused on whether the growth rate of European database industry increased after the introduction of Database Right. In other words, with protection in place, whether beneficiaries of the new right were producing databases at a comparatively higher rate than the period when the right did not exist. In the process the report primarily pointed out that the economic impact of Database Right was unproven.²⁶ There was no evidence of any substantial positive impact with Database Right in place other than the claims of publishers that such right ensured stability for future database production.²⁷ In fact, number of databases remained almost same in comparison to pre-Directive period.²⁸ US continued to be the market leader in database production, despite having no specific law for database protection.²⁹ There was no initiative to enact a special legislation for protecting databases, even after the landmark US Supreme Court decision in *Feist*.³⁰

²⁶ Ibid, para [1.4].

²⁷ Ibid, para [4.2.3].

²⁸ The report stated that the number of European databases were similar to the pre-Directive days. In 2001, there were 4085 EU-based “entries” while in 2004 there were only 3095, First evaluation of Directive 96/9/EC, para [4.2]; Although the European Association of Directory and Database Publishers claimed that there has been an increase in supply of information through databases, there was no empirical evidence or a procedure provided in this regard to quantify or measure information provided through these databases. The report, however, said that care should be taken to conclude on the basis of GDD. It was the best available data at the time of the evaluation, which acts as a guideline, and gives a rough estimate, First evaluation of Directive 96/9/EC, para [4.2.3].

²⁹ First evaluation of Directive 96/9/EC, para [4.4].

³⁰ *Feist Publications* (n 4); The term ‘database’ includes compilations under the broad definition of database and Article 1(2) of Council Directive 96/9/EC, states that “ ‘database’ shall mean a collection of independent works, data or other materials arranged in a systematic or methodical way and individually accessible by electronic or other means”. According to the Recital 13 “this Directive protects collections, sometimes called ‘compilations’, of works, data or other materials which are arranged, stored and accessed by means which include electronic, electromagnetic or electro-optical processes or analogous processes” Council Directive 96/9/EC. The European Court of Justice (ECJ), now known as Court of Justice of the European Union (CJEU), in the case of Case C-444/02 *Fixtures Marketing Ltd v Organismos Prognostikon Agnon Podosfairou (OPAP)* [2005] ECDR 3 para 37 said that the definition of a database is meant to be broad so as to cover any future electronic and non-electronic form (Organismos).

In the context of harmonization of copyright protection for databases under Article 3, the report said that many databases may still receive protection under threshold requirement.³¹ The report, however, did not elaborate on extent of such protection. There are no specific details as to how many databases will meet that threshold. In conclusion, need of continuing with the Database Right was questioned.³² The report contemplated severing the Database Right from the Database Directive.³³

Feist provided necessary impetus to proceed with database legislation in Europe. The apparent new-line of jurisprudence led to believe that there would be less incentive for database producers to invest.³⁴ Going by the aforementioned report, the issue of less incentive for producers of electronic databases must be questioned in the background of no special protection after *Feist* in US. There is also an issue of the implications of *Feist* jurisprudence on overall structure of the Directive.

2.0 Scope of the Thesis

The landmark decision of *Feist* led the European Commission to believe that copyright protection was no longer a viable incentive for production of

³¹ First Evaluation of Directive 96/9/EC, para [1.5].

³² *Ibid*, para [6.2].

³³ *Ibid*.

³⁴ (COM (92) 24 final), para [2.2.3].

databases.³⁵ This decision ruled that creativity towards selection or arrangement of contents was the only criterion to establish subsistence of copyright protection in a compilation.³⁶ For a factual compilation, the US Supreme Court removed labour as an argument to merit copyright protection.³⁷ This argument was an application of 'sweat of the brow' theory.³⁸ Further to this decision, it was believed that there would be a major impact on database industry. Most valuable databases tend to be more comprehensive and less selective in nature, thereby lacking requisite originality to deserve copyright protection.³⁹ It was believed by the Commission that *Feist* raised the threshold for copyright protection to such an extent that most useful comprehensive databases would go unprotected. As a consequence, there would be less incentive for database producers. Further, it was feared that member States might legislate according to the domestic needs, which in turn will affect the working of the internal market in Europe.⁴⁰

There was an additional argument to proceed with database law, especially when there was no similar response in US.⁴¹ Owing to competitive reasons, it was believed that a special legislation concerning protection of databases

³⁵ Ibid, page [17].

³⁶ *Feist Publications* (n 4).

³⁷ *Feist Publications* (n 4) pages [355]-[361].

³⁸ The application of sweat of the brow has been considered in the background of US cases, *infra* chapter II, section 3.

³⁹ The explanatory memorandum to the first draft proposal pointed out that electronic and databases in paper format are less likely to receive protection because of originality threshold in spite of the investment in those databases, (COM (92) 24 final) page [17].

⁴⁰ (COM (92) 24 final), para [2.2.1].

⁴¹ Europe went ahead with database legislation, although US did not proceed with special database legislation after *Feist* decision, First Evaluation of Directive 96/9/EC, para [2.4].

would tilt the balance in favour of Europe, since US was market leader in database production.⁴²

In the background of aforementioned information, this thesis questioned the assumption pertaining to new-line of jurisprudence that *Feist* developed. The impact of *Feist* jurisprudence in US, and the belief that *Feist* had raised threshold of originality to a level that would have left many databases unprotected are largely incorrect.⁴³ From a doctrinal perspective, *Feist* mainly clarified the position of copyright in relation to compilations.⁴⁴ The decision was not as path-breaking as it is commonly believed, and did not introduce a legal reasoning that was unprecedented or unique in the US.⁴⁵ As a result, while registering compilations under copyright, there were no appreciable changes in the procedural steps followed at the US Copyright Office.⁴⁶ Cases decided subsequent to *Feist* have also followed similar threshold requirement. There were no substantial inconsistencies to deter producers from investing towards databases.⁴⁷

⁴² The first evaluation report said that in the year 2005 US led the database production market in the world with more than 8000 databases even without a Database Right, First Evaluation of Directive 96/9/EC, para [4.4]; Looking at the US position, the evaluation report states that “with respect to non-original databases, the assumption that more and more layers of IP protection means more innovation and growth appears not to hold up”, First Evaluation of Directive 96/9/EC, para [5.2].

⁴³ *Infra* chapter II and chapter III.

⁴⁴ *Infra* chapter II.

⁴⁵ *Ibid.*

⁴⁶ *Ibid.*

⁴⁷ *Supra* chapter II.

So far as the economic effect is concerned, the impact of *Feist* was negligible, and there was no considerable distress among publishers.⁴⁸ It was contemplated in the proposal to the Directive that publishers looked to invest towards databases because of the incentive of ‘sweat of the brow’ argument.⁴⁹ This argument was removed by US Supreme Court in *Feist*. The idea that ‘sweat of the brow’ was a major incentive for database producers is faulty as producers were certain about protecting their investments.⁵⁰ Furthermore, the fact that the first database bill was tabled by US Congress after a long gap of five years confirms that there was no urgency towards enacting a special legislation protecting databases after *Feist* decision. As a matter of fact, investments continued in US without a special legal incentive for databases.⁵¹ Moreover, the prolonged American debate that followed immediately after the passage of Database Right in Europe, did not have *Feist* at the centre stage. Impact of the *Feist* decision in US has been negligible.⁵² Therefore, the assumptions involving *Feist* decision and its influence on electronic databases at the preparatory stage of the Directive are questionable.

With the concern that *Feist* had removed copyright protection for factual compilations in the background the Directive was enacted. As a primary step, the copyright protection for databases was harmonized in Europe. The

⁴⁸ *Supra* chapter III.

⁴⁹ (COM (92) 24 final), page [17].

⁵⁰ *Infra* chapter III.

⁵¹ *Ibid.*

⁵² *Ibid.*

standard of originality under Article 3 has to be judged based on author's own intellectual creation (AOIC).⁵³ It was believed that non-original comprehensive databases comprising of useful and valuable publishing would fail to pass the grade developed under AOIC.⁵⁴ Further, existing copyright protection for such databases does not extend to contents.⁵⁵ To mitigate aforementioned situation, Database Right was considered essential to provide incentive for producing non-original comprehensive databases.

The thesis shows that database producers will not face substantial difficulty to meet the threshold requirement under AOIC. A creative output, which does not result in an obvious selection or arrangement of contents in a database, is sufficiently original for the purpose of Article 3.⁵⁶ The national courts in three member States of UK, France and Germany have all converged to a similar threshold standard for copyright protection of databases.⁵⁷ This non-stringent standard is also reflected in the recent decision of *Football Dataco Ltd v Yahoo UK Ltd (Football Dataco.)* in England, alongside the opinion of Court of Justice of the European Union (CJEU).⁵⁸ The recent opinion of CJEU in *Football Dataco* has qualified the type of creativity that can merit protection under Article

⁵³ First Evaluation of Directive 96/9/EC, para [1.1].

⁵⁴ *Ibid.*

⁵⁵ Council Directive 96/9/EC, Article 3.

⁵⁶ *Infra* chapter IV.

⁵⁷ *Ibid.*

⁵⁸ Case C-604/10 *Football Dataco Ltd v Yahoo! UK Ltd* [2012] ECDR 10, page 194 (*Football Dataco*); *Football Dataco Ltd v Britten Pools Ltd* [2010] EWHC 841 (Ch) Sections 83-90 (*Football Dataco 2*); *Football Dataco Ltd v Yahoo! UK Ltd* [2010] EWCA Civ 1380, [2011] ECDR 9; CJEU was previously known as the European Court of Justice (ECJ). In this thesis, both the names have been referred depending on the time of a particular opinion expressed in relation to a particular case.

3.⁵⁹ According to the CJEU, any amount of creativity that goes towards creation of any data is not covered within the scope.⁶⁰ This opinion is different from the decision of Court of First Instance in England, since it accepted incorporation of creativity at any stage of creating the database.⁶¹ For a single source database, the opinion of CJEU meant that a producer needed to show separate creativity while selecting or arranging contents, which is separate from creativity at the stage of data creation. The threshold standard suggests that majority of databases would be able to meet the requirement.⁶² Moreover, comprehensive commercial databases will meet the threshold requirement of AOIC. This is true for both electronic and paper-format databases, and they reflect enough creativity to merit protection.⁶³ Compilers do not necessarily produce comprehensive databases that are merely compilation of information. Instead, they expend creativity towards selection or arrangement of contents and this activity in most cases suffices to merit copyright protection.⁶⁴ Trend observed in this thesis shows that publishers opt for copyright protection, and engages in adding value to information that are factual in nature.⁶⁵ Therefore, compilers consider copyright protection as a sufficient measure to recover their investments.

⁵⁹ *Football Dataco* (n 58).

⁶⁰ *Ibid*, section 3.2.

⁶¹ [2010] EWCA Civ 1380.

⁶² As predicted by the evaluation report, First Evaluation of Directive 96/9/EC para [1.5].

⁶³ *Infra* chapter IV.

⁶⁴ *Ibid*.

⁶⁵ *Infra* chapter IV.

The thesis shows that standards expected under AOIC resemble the guidelines of the US Supreme Court in *Feist*.⁶⁶ Overall, there was an influence of *Feist* decision. Judgement of CJEU has played a pivotal role ensuring that monopoly is averted with relation to factual data. Similar to the jurisprudence developed through *Feist* decision, the CJEU ensured freeing up of information.⁶⁷ Availability of information is considered incentive enough for producers to invest towards databases. Moreover, it has been observed that producers are expending their creative energy towards arranging comprehensive databases. This development concerning Article 3 represents a positive impact of *Feist* jurisprudence.⁶⁸ Further, separating Database Right under Article 7 from Article 3 ensured that protection extended to information of factual nature remains separated from the copyright protection.⁶⁹

The thesis observed negative effect of *Feist* jurisprudence at the formative stage, stage of enactment and post-enactment stage of Database Right.⁷⁰ Although it was believed by the Commission that *Feist* would have negative impact on production of electronic databases, there was no available jurisprudence to suggest the extent of such impact.⁷¹ Database Right represents an example of negative effect of *Feist* decision. As explained in the evaluation report, not only is Database Right ineffective in terms of growth, but

⁶⁶ Ibid.

⁶⁷ Ibid.

⁶⁸ *Infra* chapter V.

⁶⁹ Ibid.

⁷⁰ *Infra* chapter V.

⁷¹ (COM (92) 24 final), para [2.2.3].

provisions therein are potentially harmful, ambiguous and uncertain.⁷² In the case of *British Horse Racing Board Ltd and Others v William Hill Organization Ltd (BHB)* The European Court of Justice (ECJ) has already highlighted anti-competitive effect that the right may bring about with respect to single source databases.⁷³ Hence, Database Right may cause more inconvenience instead of creating an atmosphere of stability for the database producers.⁷⁴

The thesis concludes on a note that *Feist* had left an indelible mark on the overall structure of the Directive. Although transatlantic influence persuaded the formation of the Directive, it was difficult to balance without having exact knowledge of the requirement. The Directive shows signs of strain.⁷⁵ Article 3 has no immediate concern subsequent to CJEU interpretation of AOIC, yet there are concerns associated with Article 7. There is considerable imbalance

⁷² Critiques have been concerned about the overall balance between the requirement for the producer and the final version of the Database Right. Mark J Davison, *The legal protection of databases* (Cambridge University Press Cambridge 2003); Annemarie Beunen, *Protection for databases: The European Database Directive and its effects in Netherlands, France and United Kingdom* (Wolf Legal Publishers Leiden 2007); over-protection of certain areas in the Database Right with the fear of monopolization for single source databases, Estelle Derclaye, *The Legal Protection of Databases: A Comparative Analysis* (Edward Elgar, Northampton 2008); question of giving property rights to data, Jerome H Reichman and Pamela Samuelson, 'Intellectual Property Rights in data?' (1997) 50(1) V and L Rev 51; about the problems concerning sole source databases, P Bernt Hugenholtz, 'Abuse of Database Right: Sole-source information banks under the EU Database Directive' in F. Lévêque & H. Shelanski (eds.), *Antitrust, patents and copyright: EU and US perspectives* (Edward Elgar Cheltenham 2005) 203-217.

⁷³ Case C-203/02 *The British Horseracing Board Limited v William Hill Organisation Ltd* [2005] ECDR 1; Article 16(3) states the requirement of checking the anti-competitive effect of the Database Right, Council Directive 96/9/EC.

⁷⁴ There is uncertainty in claiming Database Right for databases and is noticeable in the recent case of *Forensic Telecommunications Services Limited v The Chief Constable of West Yorkshire Police and others* [2011] EWHC 2892 (Ch); [2012] 15 FSR 428 where the claim was not based on Database Right, instead it was based on database copyright.

⁷⁵ *Infra* conclusion.

in the Database Right which requires immediate attention.⁷⁶ The compulsory licensing provision must be brought back to reduce existing concern with monopoly over factual information.⁷⁷ Going by the complexities and uncertainties present in Database Right, one may be inclined to repeal the right from the Database Directive. This is a difficult proposition to execute considering the amount of resistance such action would face from European publishers.⁷⁸ There would be further challenges leading to roll back to the days when there was no Database Right in Europe. The implications would be felt mostly in Common Law jurisdictions.⁷⁹ Based on the high number of cases that have already been decided, the proposition of rolling back may increase uncertainty.⁸⁰ Therefore, the options of repealing the right and maintaining *status quo* as proposed in the first evaluation report are untenable.⁸¹ The thesis has suggested that Database Right may be amended to the structure that was proposed under the first proposal pending further empirical evidences suggesting possible requirement.⁸² Further, the transatlantic influence of *Feist's* jurisprudence is not new, since there has been previous instance of incorporating semi-conductor legislation based on assumption.⁸³

⁷⁶ *Infra* chapter VI.

⁷⁷ *Ibid.*

⁷⁸ First Evaluation of Directive 96/9/EC, para [1.5].

⁷⁹ *Ibid* para [6.1].

⁸⁰ First Evaluation of Directive 96/9/EC, para [6.1].

⁸¹ *Infra* conclusion.

⁸² *Infra* conclusion.

⁸³ *Ibid.*

3.0. Methods Adopted

The research follows a doctrinal analysis of primary and secondary sources in the US and EU. These sources include but are not limited to legislations, Directives, reports, journals, books, articles, balance sheets submitted by companies for the purpose of auditing, yellow pages directory, telephone directory, newspaper articles and internet resources.

To understand the nature of jurisprudence that *Feist* had developed, a doctrinal analysis of cases, legislations and other secondary sources has been followed in the second chapter. For the impact that *Feist* had generated, an analysis of investment level stated in balance sheets of companies has been a part of the third chapter. Further, there have been additional references to reports, cases, journals, articles.

The fourth and the fifth chapter looked at the threshold level assigned to AOIC and the influence of jurisprudence developed through the *Feist* decision. Commissions' Reports, Draft proposal to Directive, the Database Directive, cases decided by courts in member States and CJEU have been referred in this chapter to ascertain the objective of the chapters. In the final chapter, the Directive on databases has been consulted in addition to the cases, books and articles. This chapter relates to the negative impact that *Feist* had on Database Right under Article 3.

The methods adopted in this thesis are limited to previous literatures and reports of cases. This means that the research may not be able to portray the

true story from participants and stakeholders who were involved in various stages of the database debate.

4.0 Structure of the Chapters

This thesis is divided into six chapters excluding the introduction and the concluding chapter.

Chapter 1: *Feist* concern in Europe for database protection

This chapter essentially acts as a background to the thesis. It generates idea behind raising the issue of influence pertaining to the decision of *Feist*, and the implication that the case had on the overall structure of Database Directive.

Chapter 2: *Feist* threshold for compilations was not a new-line of jurisprudence in US

This chapter questions the argument that *Feist* developed new-line jurisprudence in US concerning the protection of compilations under copyright. It shows that there was general consensus with the threshold standard and negligible surprise. *Feist* merely clarified the existing law relating to copyright protection towards compilations. There was some conflict but was limited to few circuit courts. As a result, it did not cause for any substantial changes in the registration process of compilations at the Copyright Office. There were little

inconsistencies with the principles of *Feist*. They have been used consistently by later decisions to raise enough incentives for producers.

Chapter 3: Negligible impact of *Feist* in US

The objective of this chapter is to show that investment towards database production can continue without a Database Right. Therefore, such right is not a necessary component for producers. The impact of ‘sweat of the brow’ as an incentive is inconclusive. As a part of the chapter, it is visible that there was no appreciable concern and sense of urgency with protection of electronic databases among publishers. There was a large gap of 5 years before the debate concerning Database Right in US. The eight-year long US database debate did not have *Feist* at the centre stage. Database debate was an outcome of a combination of factors ranging from the European Database Right on one hand to the lobbying effort of the publishers on the other.

Chapter 4: Threshold of copyright protection adopted for databases in Europe

The interpretation of decisions of member States in this chapter suggests that threshold assigned to AOIC is not stringent. There has been a shift in how nations have dealt with the situation subsequent to incorporating threshold standard under the Directive. Compared to the examples of France and Germany considered in this chapter, there was considerable change in the UK.

The CJEU interpretation confirms that it would not be difficult for a producer to reach the threshold of originality under Article 3. Further, CJEU identified type of creativity associated with the said Article meaning that creativity towards creation of contents of a database would not be covered. The interpretation suggests that protection is limited to creativity towards selection or arrangement of existing contents.

Chapter 5: *Feist* jurisprudence in Database Directive

This chapter explores the idea that *Feist* played a pivotal role in structuring Article 3 of the Directive. It comes up with a conclusion that the impact of *Feist* jurisprudence is evident. The outcome of such influence on Article 3 resembles a positive impact creating enough incentive for producers. There is enough indication to suggest that producers may successfully use copyright to protect databases that are comprehensive in nature. While contents remain free, the creativity has been expressed towards arranging the factual contents. If Article 3 represents the positive influence, there were experiments conducted with Article 7.

Chapter 6: Uncertainties with Database Right: negative interpretation of *Feist*

The interpretation that *Feist* would have a negative impact on database production led to the formation of a novel Database Right. This chapter demonstrates the uncertainties that came with such argument. Article 7 is heavily inclined towards producers, thereby ignoring the possible monopoly situation with single source databases. Cases decided by ECJ confirm the fear of dissemination of information. The ill-effect of *Feist* decision was completely assumed, and thus resulted in a negative outcome through a piece of legislation.

CHAPTER I

FEIST CONCERN IN EUROPE FOR DATABASE PROTECTION

The enactment of the Database Directive saw a number of arguments. Available copyright protection for databases was not considered adequate in Europe.⁸⁴ This was primarily on two grounds. First, there was no express legal provision suggesting that electronic databases are covered under copyright; and second, copyright protection was limited to the original selection or arrangement of contents in a compilation.⁸⁵ This meant that the contents were left unprotected. It was further believed that electronic databases for commercial use would be comprehensive and less selective in nature. Therefore, the Database Directive looked to rectify the situation by harmonizing copyright protection for databases in Europe.⁸⁶ Contents that remained unprotected under copyright received a new layer of protection through the enactment of Database Right. Unlike creativity for copyright, Database Right does not require producers to prove investment to “protect the contents” of their database.⁸⁷ Therefore, the Database Directive formed a novel incentive for producers to invest. Although incentive was identified for producers, there was not much evidence to suggest that such incentive was truly required. According to the first evaluation report of Database Directive, economic impact of the

⁸⁴ (COM (92) 24 final), para [2.2.5].

⁸⁵ Ibid, page [30].

⁸⁶ Ibid, page [30].

⁸⁷ Article 7, Council Directive 96/9/EC.

Database Right was unproven.⁸⁸ Thus, the justification of having a Directive was challenged with a high degree of seriousness. Besides the argument that copyright would not be an effective incentive for the production of electronic databases, the Directive was influenced by the US Supreme Court decision in *Feist Publications v. Rural Telephone Service (Feist)*.⁸⁹ The decision led to believe that copyright would not be effective in protecting electronic databases that are comprehensive in nature.⁹⁰ There has been little research done on the effect of *Feist* and how the case has influenced structure of the Directive. This thesis intends to observe the effect that *Feist* had in the Database Directive.

1.0 The Argument for a Database Directive in the Draft Proposal

Long consultation process for the Database Directive in Europe began with the Green Paper in 1988, and ended with the introduction of the first draft proposal in 1992.⁹¹ Favouring the Database Right, the proposal highlighted the potential of the database market in Europe. Further, the Commission also considered that online databases of European origin comprised of 25% of databases in the world, in comparison to the US share of 56%.⁹² This figure was an improvement from figures existing ten years prior to the proposal. Back then, online databases of European origin only accounted for one-tenth of the size of

⁸⁸ First evaluation of Directive 96/9/EC, para [1.4].

⁸⁹ *Feist Publications* (n 4).

⁹⁰ (COM (92) 24 final), para [2.3.3].

⁹¹ (COM (92) 24 final); Commission, 'Copyright and the Challenge of Technology' (Green Paper) COM (88) 172 final (COM (88) 172 final).

⁹² The explanatory memorandum referred to the "Panorama of EC Industry 1990", (COM (92) 24 final), para [1.1].

the US database market.⁹³ Other than the market share of European databases, the online information market of Western Europe was valued at 2.4 billion US dollars.⁹⁴ The Commission believed that the future of the market lay in accessing information from a database *via* networks or satellites, instead of visiting traditional retail outlets.⁹⁵ With the advent of electronic services cutting across boundaries of nation, a surge in collection and distribution of information services was inevitable. Under these circumstances, the European database industry needs to adapt newer technologies to facilitate manipulating and storing large quantities of data to remain internationally competitive, and to provide effective services.⁹⁶ There were already signs suggesting that businesses greatly valued large collection of technical, legal and commercial information. Legal database industry showed the benefits of storing vast amounts of information electronically, which helps in providing a better and effective service instead of storing extensive texts in a law library.⁹⁷

The proposal identified 'electronic information services', 'bibliographic databases', 'electronic databases', 'real-time financial information services' and 'full-text databases' as the future of database industry.⁹⁸ The delivery media for these services were online ASCII databases, video texts, CD-ROM databases and audio text and broadcasting.⁹⁹ These media, however, were hardly

⁹³ Ibid.

⁹⁴ (COM (92) 24 final), para [1.1].

⁹⁵ Ibid, para [1.3].

⁹⁶ Ibid, para [2.1.2].

⁹⁷ Ibid, paras [1.2] and [1.3].

⁹⁸ Ibid, para [2.1.4].

⁹⁹ Ibid.

competitive at an international level. Contrary to the observation made in the proposal, Reuters a UK based company was dominating the world real-time information market, including currencies, stocks, bond futures and other financial instruments.¹⁰⁰ In fact, Europe was only behind US in the information Services Sectors with the largest home market in comparison to United States and Japan.¹⁰¹

The proposal further stated ASCII databases, which included real-time and financial information services, had the potential to cater to an international market. Most ASCII databases in Europe were only produced to cater to domestic needs of member States. In fact, nine out of ten databases were only accessible in language of the member State where such database was produced. Only 52% of those databases were in English. UK production was between 30% and 50% of the total number of ASCII databases produced in the community.¹⁰² With a 15% world-wide share, Europe was also lagging behind in the production of CD-ROM databases, while US was the market leader covering almost 56% of world-wide production.¹⁰³ The proposal predicted a bright future for the European CD-ROM database industry, since the number of CD titles on databases was expected to grow from 750 in the year 1989 to

¹⁰⁰ Reuters Holdings 1992 Annual Report and Accounts, (ICC REPORT NO: 091653, December 31, 1992); Charles R McManis, 'Database Protection in the Digital Information Age' (2001-2002) 7(1) Roger Williams U L Review 7, 30.

¹⁰¹ Commission, 'Report from the Commission to the Council, The European Parliament and the Economic and Social Committee on the Main Events and Developments in the Information Market 1993-1994' (COM (95) 492 final), section 3.

¹⁰² (COM (92) 24 final), para [2.1.5].

¹⁰³ (COM (92) 24 final), para [2.1.4].

6000 by the end of 1992.¹⁰⁴ There was similar expectation with the new delivery media comprising of audio text and broadcasting.¹⁰⁵ The proposal suggested that broadcasting could play an important role in providing simultaneous information services like real-time financial results and race results to a large number of users. Other than the UK there was, however, problem with the broadcasting infrastructure in the European community.¹⁰⁶ The proposal predicted that the revenue of audio text service has the potential to increase by 300-400% with an appropriate regulatory authority in place.¹⁰⁷ Video text service was the only medium that already had a strong foundation in Europe. Such services, however, developed under different technical standards within the national boundaries of member States.¹⁰⁸ In the opinion of the Commission, video text is the only service where US was lagging behind, since this service was much prevalent in the member States.

The Commission feared that the growth and future prospect of the European database industry would face severe threat from the problem of fragmentation that existed due to technical, legal and linguistic barriers in the member

¹⁰⁴ Ibid.

¹⁰⁵ Audio text provides an “interactive access to information and telephone communication services”. The user accesses the interactive information service by using the twelve keys on his telephone, Ibid, para [2.1.18]; Broadcasting includes “data transmission by radio relay channel, i.e. ground-based TV networks, satellite or FM radio sub carriers, and is an alternative method of supplying electronic information services”, Ibid, para [2.1.17].

¹⁰⁶ The proposal identified “shortage of radio frequencies, and high investment costs” surrounding the broadcast infrastructure in Europe, Ibid, para [2.1.17].

¹⁰⁷ The market of audio text was valued at 300 million ECU (European currency unit) in 1989 and was predicted to reach to 1,200 million ECU by 1993, Ibid, para [2.1.19].

¹⁰⁸ Videotext services use specific videotext terminals and falls within a communication medium, which can be used for “games, entertainment, advertising, email transactions, and information retrieval”. At the time of the proposal, France had the largest market in videotext services, (COM (92) 24 final), para [2.1.1].

States.¹⁰⁹ This problem would ultimately hinder free movement of information services in the community and create further obstacles for the European database industry. Although this problem culminated because of three issues in the member States, as a counter measure, a legal solution was proposed. The Commission believed that the existing legal anomalies would fail to provide enough incentive for database producers to invest towards the production of databases and thus, it would be difficult for Europe to keep up with the requirement of the community and to compete internationally.¹¹⁰ Moreover, foreign databases can meet the demand of the European and international market to the detriment of the European database industry.¹¹¹

Figures and circumstances surrounding the potential European database industry provided the initial reason for proposing the incentive of database legislation. The aforementioned background, as a preface to the proposed incentive needs further analysis, while the compelling reasons for selecting the legal incentive as a remedial measure to address the problem of fragmentation are analyzed in the next section.

1.1. Incentive for Database Producers

The 1992 world market share of databases considered in the proposal showed an improved figure of 25% European databases in comparison to the US share of 56%.¹¹² Although this improvement was not equated with incentive, growth in

¹⁰⁹ Ibid, para [2.1.3].

¹¹⁰ The legal issues have been considered in section 2; (COM (92) 24 final), para [1.4].

¹¹¹ Ibid, para [1.4].

¹¹² (COM (92) 24 final), para [2.1.4].

the database industry was only related to the existence of a special incentive. The visible growth in the ten-year period did not result from an incentive in form of a Database Right. Therefore, it may be argued that the future growth of the European database industry would have followed similarly. There was no further need to propose for an incentive to increase the share of European databases in the world market as it was already increasing without special incentive. On the other hand, to accelerate the rate of production of European databases, the inclusion of such incentive may be justified. The connection between higher growth and presence of an incentive was not identified in the proposal, and the relationship, in absence of evidence, was merely speculated.¹¹³ If we go by the ten-year old figure and compare with the figures at the time of the proposal, there was clear example of growth without a Database Right in place.¹¹⁴

1.2. Database Production Through Strengthening Legal Structure in Europe

The proposal stated that for increasing international competitiveness, database manufacturing should not be limited to the boundaries of the member States. In the backdrop of the linguistic barrier, there was concern with the production of databases that are in English language.¹¹⁵ Further, the proposal also identified

¹¹³ Miriam Bitton, 'Exploring the European Union Copyright Policy through the lens of the Database Directive' (2008) 23(4) Berkeley Tech LJ 1411, 1426.

¹¹⁴ (COM (92) 24 final), para [1.1].

¹¹⁵ Commercial databases used in business and scientific communities are in English and not in Portuguese, Finnish, Danish or Hungarian, Estelle Derclaye, 'Intellectual property rights on information and market power – comparing European and American protection of databases' (2007) 38(3) IIC 275, 297.

technical barriers relating to infrastructural problems that were affecting production in Europe.¹¹⁶

While the Commission identified legal incentive as a solution to tackle fragmentation, it is possible that such solution would not be ideal under the circumstances. There was lack of reasoning or argument to suggest that incentive *via* legislation may overcome the problem of fragmentation.¹¹⁷ For instance, the evaluation report, which will be discussed in the following section, questions the growth of the database market in Europe despite the presence of legislative incentive.¹¹⁸ This argument is indicative of the fact that legislation may not be an ideal solution for problems that plagued the European market. On the contrary, it could be argued that the legal incentive was the only alternative to resolve the fragmentation problem. Linguistic barrier may not be removed, since the origin of such barrier is in the diverse culture of the European community.¹¹⁹ However, if the future demand was with databases accessible in English, the Commission could have proposed specific incentive instead of creating a legal incentive for all databases.¹²⁰ The technical barrier resulted because of infrastructural problems associated with the European market. Digital revolution and the development of internet happened in the US

¹¹⁶ Bitton (n 113) page [1424]; McManis (n 100) pages [29] and [30].

¹¹⁷ Anyways there was less confidence with legislation in absence of any evidence, Bitton (n 113)

¹¹⁸ First Evaluation of Directive 96/9/EC, para [4.2.3].

¹¹⁹ European Commission, Press Release: Winners of 2015 European Border Breakers Awards (EBBA) for pop, rock and dance music unveiled (Brussels / Groningen, October 14, 2014) available at <http://europa.eu/rapid/press-release_IP-14-1135_en.htm> (accessed 10 November 2014).

¹²⁰ Major databases should be accessible in English, Derclaye (n 115) page [297].

before Europe and helped towards the development of the US economy.¹²¹ In the course of time, development of internet led to the business of e-commerce.¹²² These initial developments provided US a competitive edge over the European database market. There was no such projection in the draft proposal stating how long this advantage of the US market over the European market would last. Therefore, the Commission had a choice between setting up incentives for the European publishers to overcome the initial hurdles or think of something similar to the standard of protection which is available now. Whatever the thinking was at the time of the proposal, the Commission only intended to offer limited protection to producers engaged in the production of databases.¹²³

An overall reading of the situation gives us the impression that the solution to resolve the problem of fragmentation could have been multi-faceted. The approach of introducing legislative incentive for a problem, which resulted out of several issues, is questionable in absence of evidence to the contrary.

In course of proposing Database Directive, the Commission identified certain legal lacuna in the member States. These problems, therefore, led to the enactment of the legal incentive for databases in Europe.

¹²¹ Bitton (n 113) 1424.

¹²² McManis(n 100) 29-30.

¹²³ *Infra* chapter VI, section 1.

2.0 Concern About Protecting Electronic Databases

As an incentive for database producers, the Commission proposed two separate levels of protection for databases.¹²⁴ The proposal observed that fragmentation was an existing problem in the European market that resulted in stunted growth. Further, in future, producers would face difficulties to compete in the international market.¹²⁵ The proposed correction measure was sought through the enactment of a legal incentive. According to the Commission, the existing legal barrier resulted because member States protected databases differently.¹²⁶ For databases, certain degree of copyright protection existed in most member States, alongside protection under unfair competition law and catalogue rule in some States.¹²⁷ In order to curb legal barriers, the Commission warranted copyright as a starting point for harmonizing database law in Europe.¹²⁸ As to the option of harmonizing unfair competition law, the Commission pointed that the structure of such law is vastly different in the member States with the example of no unfair competition law in the United Kingdom.¹²⁹ Act of unfair competition comprises of parasitic behaviour, breach of confidence, and passing off; and member States used various techniques to deal with them. Moreover, the applicability of unfair competition is between competitors, and not between suppliers and users.¹³⁰ The Commission argued

¹²⁴ (COM (92) 24 final).

¹²⁵ (COM (92) 24 final), page [6].

¹²⁶ The catalogue rule was only limited to Scandinavian countries, *ibid*, page [4].

¹²⁷ *Ibid*, pages [16] and [36].

¹²⁸ *Ibid*, page [36].

¹²⁹ (COM (92) 24 final), page [36].

¹³⁰ *Ibid*.

that it would not be worthwhile to only harmonize the law concerning unfair competition for databases without harmonizing the existing law in Europe.¹³¹

In the background of a potential electronic information market, the Commission reasoned that existing copyright protection in member States might not be adequate in protecting electronic databases. There was no express provision for protecting such databases under copyright law.¹³² Even if implicit protection was present, there is considerable uncertainty due to existing differences in originality standard for copyright protection.¹³³ Under these circumstances, member States would apply different threshold standards before determining copyright protection for a database. Therefore, a particular database may receive protection in one member State, while remaining unprotected in others.¹³⁴ The standard of originality with respect to a particular work was an outcome of different levels of creativity in common and civil law jurisdictions.¹³⁵ On one hand there was the threshold of sufficient labour, skill or judgement with effective parameters being time spent and effort expended. On the other, originality threshold in civil law jurisdictions required an independent touch in terms of uniqueness attached to the work.¹³⁶ The work in question should

¹³¹ Ibid.

¹³² The word 'database' was not present in legislations and Collection of data was expressly protected in few member States like UK and Spain, Ibid, para [2.2.3]; The legislations of the member States based on Article 2.1 and 2.5 (copyright protection to Literary or Artistic Work or as collections) of the Berne Convention may not be same as protecting electronic databases comprising of compilation of data in an online environment, (COM (92) 24 final), para [2.2.4].

¹³³ More detailed analysis about the threshold standards in the member States are in chapter IV, First Evaluation of Directive 96/9/EC, para [1.1].

¹³⁴ (COM (92) 24 final), para [2.2.5].

¹³⁵ Ibid.

¹³⁶ Ibid.

reflect author's individuality, which means that expending labour and time are not sufficient to merit copyright protection.¹³⁷

In the opinion of the Commission, uncertainty in copyright protection would not incentivize production of electronic databases. Thus, the Commission proposed to harmonize available copyright protection for databases in accordance with Article 2.5 of the Berne Convention.¹³⁸ According to the Article, copyright protection is only afforded to a database, "...for the way the collection has been made, that is, the personal choices made by the author in selecting or in arranging the material and in making it accessible to the user".¹³⁹ Harmonization of copyright protection for databases formed the first tier of protection under the Database Directive.¹⁴⁰

Although harmonization ensured copyright protection for original selection or arrangement of contents in a database, such protection was not extended to the contents themselves. The Commission saw future electronic databases as a comprehensive and extensive resource where the scope of selection may be narrow or negligible.¹⁴¹ In some instances, there may not be any scope for either selection or arrangement like in the case of a telephone directory

¹³⁷ Ibid.

¹³⁸ "Collections of literary or artistic works such as encyclopedias and anthologies which, by reason of the selection and arrangement of their contents, constitute intellectual creations shall be protected as such, without prejudice to the copyright in each of the works forming part of such collections", 'Berne Convention for the protection of Literary and Artistic Works', (*WIPO*) available at <http://www.wipo.int/treaties/en/ip/berne/trtdocs_wo001.html> (accessed 21 December 2008); (COM (92) 24 final), paras [3.2.1] and [3.2.2].

¹³⁹ (COM (92) 24 final), para [3.2.2]; In this context, there is no explanation of the threshold of creativity related to an author and this issue has been analyzed in chapter V.

¹⁴⁰ Article 3 Council Directive 96/9/EC.

¹⁴¹ (COM (92) 24 final), para [3.1.9].

arranged in an alphabetic order.¹⁴² While original selection or arrangement in such databases would come under copyright, technically there was nothing concrete to stop downloading of the contents from an electronic database.¹⁴³ A particular competitor may not face any hindrance from copying the contents, and re-sell it as a part of his own product.¹⁴⁴ To the detriment of a database producer, there was a possibility that a competitor may be able to copy and reproduce electronic databases at a low cost.¹⁴⁵ It was also believed that future databases would involve outright sale. Indeed, once contents were accessible, reproduction was possible at a lower cost than cost of production.¹⁴⁶

The low cost of copying in an electronic environment essentially reflects the 'public goods' problem in a database.¹⁴⁷ Public goods mean that they are non-rivalrous and non-excludable in character.¹⁴⁸ Non-rivalrous means that many people can access the same good, or service, without reducing the value or depleting it,¹⁴⁹ whereas non-excludable is a situation when it is difficult to prevent people from accessing goods or services after they have been released

¹⁴² Ibid, para [3.2.4].

¹⁴³ Ibid, pages [28][31].

¹⁴⁴ Ibid, page [30].

¹⁴⁵ Ibid, para [3.1.11].

¹⁴⁶ (COM (92) 24 final), page [30].

¹⁴⁷ Robin Elizabeth Herr, *Is the Sui Generis Right a Failed Experiment? A legal and Theoretical Exploration of How to Regulate Unoriginal Database Contents and Possible Suggestions for Reform* (DJØF Publishing Copenhagen, Denmark 2008) 24; Alfred C Yen, 'The legacy of Feist: Consequences of the weak connection between Copyright and the Economics of public goods' (1991) 52(5) Ohio St L J 1343, 1365-1373.

¹⁴⁸ Public Goods problem is related to the Intellectual Property Rights aspect, William M Landes and Richard A Posner, 'An Economic analysis of copyright law' (1989) 18(2) J Legal Stud 325, 326; Roger Van Der Bergh, 'The role and social justification of copyright: a "law and economics" approach' (1998) 1 IPQ 17, 20.

¹⁴⁹ Herr (n 147) page [24]; Van Der Bergh (n 148) page [20].

in the public domain.¹⁵⁰ Electronic databases are non-rivalrous because all electronic copies are of the same standard. Many users can use them simultaneously, and the use of one individual does not reduce the value of the database for the subsequent individual.¹⁵¹ A database is also non-excludable because one may copy after it has been released in the market, and it is difficult on part of the producer to stop such acts. This situation creates the problem of free-riding as referred in the explanatory memorandum.¹⁵² As a consequence of free-riding, the producers would be reluctant to invest towards electronic databases.¹⁵³

Databases act as a vital commercial tool for dissemination of electronic information. Optimal conditions would encourage investment towards its production.¹⁵⁴ Alongside harmonization of copyright protection, there was a proposal for limited protection for the contents of a database where such contents are not already protected under copyright.¹⁵⁵ By envisaging this layer of protection, the Commission proposed the enactment of a special Database Right against unfair extraction of the contents of a database. The reasoning at the time of the Directive needs further analysis in the context of the proposed incentive.

¹⁵⁰ Herr (n 147) page [24].

¹⁵¹ 'Information' is an example characterized by non-rivalrous use, Van Der Bergh (n 148) page [20].

¹⁵² (COM (92) 24 final), pages [28]-[31].

¹⁵³ Arguing for - Intellectual property is ill-suited for eliminating free-riding, Mark A Lemley, 'Property, Intellectual Property and Free Riding '(2004-2005) 83(4) Tex L Rev 1031, 1032; The problem of free-riding may reduce incentives for the producers to invest in creation, resulting which there would be undersupply of public goods; Van Der Bergh (n 148) page[20].

¹⁵⁴ (COM (92) 24 final), pages [28]-[31].

¹⁵⁵ Ibid, para [3.2.8].

2.1 Was There Uncertainty Among Producers?

From what we can gather from the first draft proposal is that additional requirement of incentivizing database production was necessary, since the existing measures were not adequate to increase confidence among producers. The example quoted in the first draft proposal questioned this proposition.¹⁵⁶ The proposal observed the presence of legal database industry and the signs of investments towards production of electronic databases.¹⁵⁷ These investments were made at a time when the new protection for database producers was proposed. The issue of less incentive for people involved in database trade is questionable in the background of investments that were made towards the productions of legal databases. It is difficult to understand the logic behind such investments if the existing measures were not adequate.

Investments towards electronic databases show the positive mindset of the producers.¹⁵⁸ It may be argued that although there was investment towards the legal database industry, there were no similar signs of investments in other industries.¹⁵⁹ Incentive was necessary for the overall growth of the database industry in Europe. There is, however, a possibility that the development of database industry is to a great extent market driven.¹⁶⁰ The proposal already

¹⁵⁶ *Ibid*, paras [1.2] and [1.3].

¹⁵⁷ *Ibid*.

¹⁵⁸ This has been observed in the US where database producers invested without a specific protection available for databases, *Supra* chapter III.

¹⁵⁹ (COM (92) 24 final), paras [1.2] and [1.3].

¹⁶⁰ It may be the case that database producer will produce databases if there is a market for it. There may not be any additional incentives required to fundamentally initiate production of databases. This is clear from the annual reports and production of databases in US, *infra* chapter III, section 3.

has stated the immense potential of the database market.¹⁶¹ An adequate market may act as a far greater incentive for the industry than incentive via legal rights. This claim is supported by example of the legal database industry. In fact, the US database market showed steady growth over the years without a special Database Right. The producers invested in the US despite the fact that there were special incentives in Europe.¹⁶² This implies that the nature of incentive required for the database industry may be different from just introducing a legal right. A possible approach in the European context would have been to study the nature of incentive for the database industry prior to laying down the right.¹⁶³

2.2. Was There a Case for *Sui Generis* Database Right?

According to the proposal, commercial and useful electronic databases would be comprehensive in nature and will involve a lot less selection or arrangement to come under the scope of copyright. Further, there was imminent threat to the contents due to the risk of copying and low cost reproduction in an electronic environment. There was immense potential for the European database market.¹⁶⁴ In the background of the risk of copying faced by the producers, the proposed protection should have reflected the impending concern. Instead, the proposal offered limited protection to the contents, thereby questioning the level

¹⁶¹ (COM (92) 24 final), page [2].

¹⁶² "Nevertheless, as the figures discussed below demonstrate, there has been a considerable growth in database production in the US, whereas, in the EU, the introduction of "sui generis" protection appears to have had the opposite effect. With respect to "non-original" databases, the assumption that more and more layers of IP protection means more innovation and growth appears not to hold up", First Evaluation of Directive 96/9/EC, para [5.2].

¹⁶³ Absence of empirical evidence has always been an issue, Bitton (n 113) page [1426].

¹⁶⁴ (COM (92) 24 final).

of concern associated with the production of electronic databases.¹⁶⁵ Moreover, concerns relating to free-riding, easy accessibility of the contents in a database, and outright post-production sale of databases are questionable. The explanatory memorandum did not mention the possibility of using Technological Protection Measures (TPM).¹⁶⁶ For example, the emergence of TPM and strong legal protection like the Digital Millennium Copyright Act (DMCA) in US is good news for database producers who want to protect their content which is not original.¹⁶⁷ Estelle Derclaye, however, has argued that TPM is not a full proof solution and this means that legal sanctions are still required and effort of privatization of goods through TPM is not a perfect solution.¹⁶⁸ Nevertheless, TPM is a possible way to privatize the public nature of databases, which could not have been foreseen at the time of the first draft proposal.

Any one circumventing such protection measure is in violation of the laws governing cybercrime.¹⁶⁹ Even if electronic databases are indeed non-rivalrous, there is the possibility to reduce accessibility. A database producer exclusively

¹⁶⁵ *Infra* chapter VI, section 1

¹⁶⁶ On a different note, if two sets of protection are available for the database producer is there a need for an extra layer of protection in form of a special Database Right? In the context of US, there is a possibility that TPM will impede dissemination of data, Jane C Ginsburg, 'Creation and Commercial Value: Copyright protection of works of Information' (1990) 90(7) Colum. L. Rev. 1865, 1921-1922; Jessica Litman has given the example of copyright protection to computer software. She expressed that giving meaningful protection to databases would not stop the database publishers from using other means (like TPM) of protection. Litman said that computer software should be an example in this regard, where the publishers are using all possible means (mixing both copyright and trade secrecy) to restrict use even after meaningful copyright protection to computer software. In case of databases of informational work, there may be the repetition of the same story. It is unlikely that publishers will give up the use of TPM, and the possible problem with dissemination will remain, Jessica Litman, 'After *Feist*' (1992) 17(2) U Dayton L Rev 607,612-613.

¹⁶⁷ Herr (n 147) page [181].

¹⁶⁸ Derclaye (n 72) page [25].

¹⁶⁹ For example, the Computer Misuse Act, 1990 (c.18) in the UK.

controls accessibility in this regard, and the use of TPM may prove effective.¹⁷⁰ The issue of outright sale of databases is quite unlikely, since major database producers agree on accessibility based on licenses.¹⁷¹ For instance, Westlaw or LexisNexis do not sell their legal databases after creation, but the dissemination works on a licensing system. In the first proposal, there seems to be a consensus among database producers with the limited requirement of the Database Right.¹⁷² Further, TPM offers some level of protection for the contents of a database.

2.3. Copyright Preferred Among Stakeholders

The starting point of incentive measure for databases of electronic nature was primarily based on copyright.¹⁷³ Differences in the threshold standard of originality were identified as a problem for the production of electronic databases and were harmonized to ensure an atmosphere of certainty for the producers.¹⁷⁴ Although there were no explicit reasons given in the proposal on questions of law relating to harmonization of copyright protection, the role of copyright in incentivizing production is identified from the opinions of the

¹⁷⁰ Digital rights management solves public good problem to a great extent. However, it must be noted that paper format databases do not have the above outlined TPM advantage, (IVIR), 'The Recasting of Copyright & Related Rights for the Knowledge Economy' (November 2006) 104.

¹⁷¹ Mark Powell, 'The European Union's Database Directive: An International Antidote to the side effects of *Feist*' (1996-97) 20(4) Fordham Int'l LJ 1215, 1226.

¹⁷² The fact that they opted for copyright protection, instead of a new *sui generis* Database Right, Commission, 'Follow-up to the Green Paper: Working Programme of the Commission in the field of copyright and neighbouring rights' (Follow-up Green Paper) COM(90) 584 final (COM (90) 584 final), page [18].

¹⁷³ (COM (92) 24 final), para [2.2.5].

¹⁷⁴ *Ibid*; *Ibid*, page [30].

stakeholders.¹⁷⁵ Prior to the proposal, the stakeholders were asked two questions in relation to copyright protection of databases. The questions were firstly, about whether databases with copyrighted contents should receive copyright protection, and secondly, whether the copyright protection should apply, and extend to databases, which contain data available in the public domain.¹⁷⁶ In response, the stakeholders overwhelmingly preferred copyright protection for databases comprising of copyrighted contents.¹⁷⁷ There was no interest shown for the enactment of a new Database Right.¹⁷⁸ They also suggested that copyright protection should be made available for databases comprising of both copyrighted works, and non-copyrighted data.¹⁷⁹ Therefore, the argument that database producers did not fully comprehend the scope of Database Right and hence opted for copyright protection is incorrect.¹⁸⁰ It is difficult to support such proposition, since majority of the producers involved in the business of database production voted for copyright protection.¹⁸¹ Producers were at the best position to understand the consequences of the Database Right, which proposes to protect the contents of their database. Contrary to the support for copyright, there was no comparable support for the enactment of Database Right.

¹⁷⁵ (COM (88) 172 final), page [208].

¹⁷⁶ Ibid.

¹⁷⁷ (COM (90) 584 final), page [18].

¹⁷⁸ George Metaxas, 'Protection of databases: quietly steering in the wrong direction?' (1990) 12(7) EIPR 227-228.

¹⁷⁹ (COM (90) 584), final page [18].

¹⁸⁰ Derclaye (n 72) page [44].

¹⁸¹ Ibid.

3.0 Two-Tier Structure of Database Directive

Four years after the proposal, the Database Directive was enacted in the year 1996 with a two-tier protection for databases.¹⁸² In the Database Directive, the word 'database' means "a collection of independent works, data or other materials arranged in a systematic or methodical way and individually accessible by electronic or other means."¹⁸³ The definition of database has been criticized for creating a broad horizon and unnecessary vagueness.¹⁸⁴ However, in the case of *Fixtures Marketing Ltd v. Organismos Prognostokon Agonon Podosfairou*, the European Court of Justice (ECJ) confirmed that the definition of database is meant to be broad so as to cover future databases in any form.¹⁸⁵ According to Recital 13, "this Directive protects collections, sometimes called 'compilations', of works, data or other materials which are arranged, stored and accessed by means which include electronic, electromagnetic or electro-optical processes or analogous processes".¹⁸⁶ Although scholars have been critical of the definition of a database under the Directive, there is little confusion at the time of applying this definition.¹⁸⁷

Article 3 and 7 represents a two-tier protection under the Directive. Article 3 of the Database Directive states that:

¹⁸² Council Directive 96/9/EC.

¹⁸³ *Ibid*, Article 1(2).

¹⁸⁴ Davison (n 72) page [100]; Juan Carlos Fernandez-Molina, 'The legal protection of databases: current situation of the international harmonization process' (2004) 56 (6) *Aslib Proceedings* 325,327, Jacqueline Lipton, 'Databases as Intellectual Property: New Legal Approaches' (2003) 25 (3) *EIPR* 139, 141.

¹⁸⁵ *Organismos* (n 30).

¹⁸⁶ Council Directive 96/9/EC.

¹⁸⁷ Derclaye (n 72) pages [54]-[66]; Davison (n 72) pages [70]-[73]; The application of the definition has been consistent, *infra* chapter IV section 3.

“in accordance with this Directive, databases which, by reason of the selection or arrangement of their contents, constitute the author's own intellectual creation shall be protected as such by copyright. No other criteria shall be applied to determine their eligibility for that protection. The copyright protection of databases provided by this Directive shall not extend to their contents and shall be without prejudice to any rights subsisting in those contents themselves”.¹⁸⁸

This protection is meant for databases that are original by reason of selection or arrangement of the contents. The threshold to merit copyright protection is the author's own intellectual creation (AOIC), which will be discussed in detail in the later chapters.¹⁸⁹

The rights and infringement applicable for Database Right are prescribed under Article 7.¹⁹⁰ According to this Article, database producers can prevent ‘extraction’ and ‘re-utilization’ of the whole or substantial parts of the database evaluated either ‘qualitatively’ or ‘quantitatively’. The database producer must show ‘substantial investment’ made either qualitatively or quantitatively towards ‘obtaining’, ‘verifying’ or ‘presenting’ the contents of the database.¹⁹¹ The terms quantitative and qualitative have not been explained in the Database Directive. Further, authors have questioned the utility of this distinction, since there is an

¹⁸⁸ Article 3, Council Directive 96/9/EC.

¹⁸⁹ *Infra* chapter III.

¹⁹⁰ Council Directive 96/9/EC.

¹⁹¹ *Ibid*, Article 7, Council Directive 96/9/EC.

overlap with the 'qualitative' criterion, which is required to merit copyright protection.¹⁹² The ECJ, in three cases, has given some insights to the meaning attached to quantitative and qualitative assessment. According to ECJ, quantitative assessment refers to quantifiable sources and qualitative assessment refers to sources that are non-quantifiable, such as intellectual effort or energy stated under Recitals 7, 39 and 40 of the Database Directive.¹⁹³

Other than extraction and re-utilization, the Directive has been silent about terms like 'substantial', 'obtaining', 'verifying' and 'presenting'. The word 'substantial' has not been defined in the Directive and its scope has been discussed in subsequent chapters.¹⁹⁴ 'Obtaining' has not been defined either and is highly contentious in relation to the word 'creating'.¹⁹⁵ Meaning attached to verification can be identified through several ECJ decisions.¹⁹⁶ It includes substantial costs, which are used to ensure reliability and monitor accuracy after obtaining the contents for the database.¹⁹⁷ ECJ said presentation means

¹⁹² Article 7(1), Database Directive, Davison (n 72) pages [83]-[89]; English translations of viewpoint of Matthias Leistner (Qualitative as a supplementary criterion); Van Eechoud (Doubts whether qualitative has independent significance; Hagen(Qualitative could be used as a safety net if quantitative is not sufficient, in Beunen (n 72) pages [106]-[107].

¹⁹³ C-46/2, *Fixtures Marketing Ltd v. Oy Veikkaus Ab*, [2005] ECDR 2; C-338/02, *Fixtures Marketing Ltd v. Svenska Spel AB* [2005] ECDR 4, page [49]; *Organismos* (n 30).

¹⁹⁴ There is an additional issue of spin-off databases and the investment made in this regard. No clear indication existed about the protection offered to spin-off databases prior to the decision in *British Horseracing Board Limited* (n 73). The ECJ said that spin-off databases may still be protected based on separate substantial investment other than the investment in creating; for the issue of spin-off databases and its inherent contradictions, Estelle Derclaye, "Databases Sui Generis Right: Should We Adopt the Spin Off Theory?" (2004) 26 (9) EIPR 402; Mark J. Davison and P. Bernt Hugenholtz, 'Football Fixtures, Horseraces and Spin Offs: The ECJ Domesticates the Database Right' (2005) 27(3) EIPR 113.

¹⁹⁵ *British Horseracing Board Limited* (n 73).

¹⁹⁶ *Oy Veikkaus* (n 193), *Svenska Spel* (n 193), *Organismos* (n 30) & *British Horseracing Board Limited* (n 73).

¹⁹⁷ *Svenska Spel* (n 193), page [49].

substantial costs made towards the function of processing information i.e. selection, arrangement & individual accessibility.¹⁹⁸

For purpose of the Directive, extraction means “permanent or temporary transfer of all or substantial part of the contents of a database by any means and in any form”.¹⁹⁹ The Database Right holder must provide authorization “... when on-screen display of the contents of a database necessitates the permanent or temporary transfer of all or a substantial part of such contents to another medium”.²⁰⁰ Re-utilization means making available all or substantial part of the contents of a database by way of distributing copies. Distribution can take place by renting the database, transmitting it online, or by any other forms of transmission.²⁰¹ Protection to databases under the Database Right is for 15 years. The requirements relating to Article 7 have been discussed later in this thesis.²⁰²

¹⁹⁸ *Oy Veikkaus* (n 193), *Svenska Spel* (n 193) & *Organismos* (n 30); *ibid.*

¹⁹⁹ Article 7(2) a, Council Directive 96/9/EC.

²⁰⁰ Recital 44, Council Directive 96/9/EC.

²⁰¹ Article 7(2) b, Council Directive 96/9/EC; As discussed before the meaning attached to extraction and re-utilization has similarities attached to the terms of reproduction and rights of communication to public. ECJ in *British Horseracing Board* said that both direct and indirect extraction could constitute infringement of extraction, *British Horseracing Board Limited* (n 73) pages [12]-[15]. In a more recent case in Case C-545/07 *Apis-Hristovich EOOD v Lakorda AD* [2009] ECDR 13; ECJ has substantially explained the meaning attached to extraction, and how extraction may happen in the context of a database. Similarly in Case C-304/07 *Directmedia Publishing GmbH v Albert-Ludwigs-Universität Freiburg* [2008] ECR I-7565 ECJ developed the principle of extraction in the context of on-screen consultation. As to re-utilization ECJ in C-203/02 said that re-utilization may be both direct and indirect. However, the meaning associated with indirect re-utilization is still not very clear, *Beunen*(n 72) page[168].

²⁰² *Infra* chapter VI.

While we have two level of protection under the Directive, it is important to discuss the contentious issue of incentive. With incentive in place, the fundamental question is whether the producers are willing to invest.

4.0 Does Legal Incentive Guarantee Database Production?

Using incentive as one of the justifications behind enacting an intellectual property right has an American lineage.²⁰³ There is a general understanding that intellectual property legislation balances the problems associated with public goods. In its absence, there would be insufficient incentive to produce vulnerable works that are easily appropriable.²⁰⁴ Further, the producer has little chance to recover the investment towards such production.²⁰⁵

4.1 Role of Copyright in Producing Creative Work

The incentive theory surrounding the copyright protection presupposes that profit motivates an individual.²⁰⁶ In intellectual property, 'more is better', since it

²⁰³ Mark A Lemley, 'Property, Intellectual Property and Free Riding' (2004-2005) 83(4) Tex L 1031,1031 Rev; American story about copyright protection is that it provides economic incentive essential for the creation of new works, Diane Leenheer Zimmerman, 'Copyright as Incentives: Did we just imagine that' (2011)12 (1) Theoretical Inquiries in Law 29, 30; On the contrary Ralph Brown has said that the Copyright clause in the US Constitution does not say to 'maximize returns to authors and inventors', Ralph Brown, 'Eligibility for copyright protection: a search for principled standards' (1985) 70(2) Minn L Rev 589, 592.

²⁰⁴ Patent is observed as a reward system, *Miguel Figueroa v United States*, United States Court of Appeals for the Federal Circuit, 05-5144(October 2006); It was acknowledged that the term protection for copyright was increased by 20 years to provide incentives for creators, *Eldred v. Ashcroft* 537 US 186(2003), (arguing against) Lemley (n 203) pages [1031]-[1033]; Subho Ghosh, 'The Intellectual Property Incentive: Not so a natural as to warrant strong exclusivity' (2006) 3(2) available at < <http://www.law.ed.ac.uk/ahrc/script-ed/vol3-2/ghosh.asp>> (accessed 17 July 2010).

²⁰⁵ Ibid.

²⁰⁶ Herr (n 147) page [47]; Innovation on the part of the producer is directly proportional to the returns, Stanley M Besen & Leo J Raskind, 'An Introduction to the Law and Economics of Intellectual Property' (1991) 5 J. Econ. Persp. 3, 5; Greater incentives to create intellectual

encourages innovation. Production of a work demands investment in terms of time and money, and such work is simple to copy in a digital environment.²⁰⁷ Without copyright protection, production and dissemination of work may not happen at an optimal level due to the possibility of unauthorized appropriation.²⁰⁸ In the absence of copyright, there may be difficulties in recovering investments made towards the production of a work.²⁰⁹ Copying in the digital world will reduce the incentive for an author to create further work so much so that the “millennium of the internet will eliminate the modern day Michelangelo because his services are no longer valued”.²¹⁰ According to the incentive theory, law of copyright rectifies possible ‘market failure’ by incentivizing production and stopping undersupply of works. The mere presence of copyright will assure the authors to produce new work.²¹¹

One may, however, question whether an author starts working on a creative aspect only because of the existing copyright protection. There are possible influences of the extrinsic and intrinsic factors in the production of a work.²¹² Extrinsic factors work within the boundaries of material reasons, whereas

property comes with more extensive intellectual (copyright) protection, Landes & Posner (n 148); Arguing against it, Zimmerman (n 203).

²⁰⁷ Ibid.

²⁰⁸ Lionel Bently & Brad Sharman, *Intellectual Property Law* (Oxford University Press, 3rd edn, 2008) page [37].

²⁰⁹ *Supra* (n 206).

²¹⁰ David Balaban, ‘The Battle of the Music Industry: the distribution of Audio and Video Works via the internet, music and more’ (2001-02) 12(1) *Fordham Intell Prop Media & Ent L J* 235, 240.

²¹¹ Arguing against copyright as an incentive to creativity, Zimmerman (n 203) pages [35]-[42].

²¹² See generally, *ibid*.

intrinsic factors are embedded within the human self.²¹³ It is difficult to comprehend that an author composes a masterly piece of work only because of the existing copyright protection. Further, he only thinks in terms of profit or an extrinsic incentive.²¹⁴ Creative pleasure or the intrinsic factor involved in such work provides enough incentive to the author.²¹⁵ One such example is the development of open source software. It shows that profit maximization may not be the only argument behind the development of a creative work.²¹⁶ Further, there is no evidence to suggest that fewer literary works would have been created in absence of copyright.²¹⁷

The other side of the argument suggests that an author will ultimately reap benefit of his initial work. He will be under the influence of indirect extrinsic benefits. Even if the primary intentions were not associated with profit making, in due course, this work would heap laurels on the author. He could be promoted, positioned well in the society, and the initial work could finally relate to monetary gain.²¹⁸ This theory of indirect extrinsic benefit, however, has been

²¹³ This theory falls in the scope of behavioural economics and arguing against this theory that people act on the basis of external inducements, Zimmerman (n 203) pages[42]-[48].

²¹⁴ Supporting this proposition, Ibid.

²¹⁵ Commentators supporting the incentive theory have stated that critiques have not outright rejected copyright protection altogether, Van Der Bergh (n 148) page [23]; this view has been supported and copyright protection has not been rejected altogether. However, a word of caution has been raised to say that copyright protection does not always incentivize literary work, Zimmerman (n 203) pages [35]-[42]; Admitting, the problem with incentive theory is the lack of empirical evidence to show that creation of work is dependent on copyright, Richard A Spinello, 'Intellectual property rights' (2007) 25 (1) Library Hi Tech 12,13.

²¹⁶ S Breyer, "The uneasy case for copyright: A Study of Copyright in Books, Photocopies, and Computer Programs' (1970) 84(2) Harv L Rev 281, 293-313.

²¹⁷ Ibid.

²¹⁸ Indirect extrinsic benefit has been argued in the context of open source software to support the proposition that creative work only results out of incentives created through intellectual property rights, Josh Lerner & Jean Tirole, 'Some Simple Economics of Open Source' (2002)

criticized by using the example of a painter or a writer.²¹⁹ It is difficult to comprehend that a painter or a writer performs, believing that someone else in the near future, would hang the picture, or read the book.²²⁰ There is no guarantee that after investing time and effort, anyone other than the author themselves would be interested in the painting or in reading the book.²²¹

The aforementioned information gives two perspectives of the role of copyright in incentivizing production of work. This role must be further analyzed.

4.1.1 *Uncertainty remains with production*

Authors start investing towards the creation of a work due to the role that copyright plays in the post-production stage. Without such protection, the authors would not have created the work in the first place.²²² These arguments essentially highlight the role of copyright after the production of the work. Although commentators have linked the role of copyright in the pre-production stage, there are not enough arguments given in this regard.²²³ From the point of creativity, a person creating a work for the very first time may not be aware of copyright protection. His creativity develops from desire and little from

50(2) J Industrial Economics 197; This theory has been argued against, and it has been observed that the sense of membership in a community like the open source acts as a great motivator, Eric von Hippel & Georg von Krogh, 'Open source software and the "Private-Collective" Innovative Model' (2003) 14 (2) Organization Science 209, 220.

²¹⁹ Arguing against this proposition that humans only work with the possibility of maximizing profits, Zimmerman (n 203) pages [43]-[48].

²²⁰ Ibid.

²²¹ Ibid.

²²² This is essentially the extrinsic argument, See Zimmerman (n 203).

²²³ The extrinsic argument that creativity happens due to the existence of copyright, See (n 212).

copyright. The issue of protection begins at a later stage when there is the realization that the work in question is worth protecting.²²⁴ Contrary to this proposition, in commercial houses conceptualization of a work may start because of the prior knowledge of copyright protection. There is an indication that strong copyright protection is preferable among producers, since they suggested to widen the scope covering databases to comprise of works and non-copyrighted material.²²⁵ The copyright protection for them seems to be an incentive for future investment towards databases. Therefore, the aforementioned circumstances are different and it would be incorrect to relate the influence of copyright protection with the development of any creative work.²²⁶ Those arguing against such contention have not disagreed with the role of copyright at the post-production stage.²²⁷ They have, however, ignored the influence of copyright production at a pre-production stage for commercial producers.²²⁸

Although copyright incentive may work as an impetus for certain category of authors, it is difficult to conclude that such incentive will increase production. There is no reason to believe that production will continue in the absence of a

²²⁴ This assertion connects to the argument posed by Zimmerman pointing that the painter or an artist wouldn't be in a position to know that someone else would read the book or hang the painting (n 221).

²²⁵ (COM (90) 584 final), page [18].

²²⁶ This means relating either the extrinsic or the intrinsic factor in the premise of 'any creative work' is faulty and it is connected to the person involved in making the work, See (n 207) – (n 218).

²²⁷ The premise of the argument is that existence of the copyright does not ensure more creative work and thus, includes the pre-production stage; see Zimmerman (n 203).

²²⁸ Ibid.

market.²²⁹ It is inconceivable to think that commercial producers would ignore the market and only invest because of the availability of copyright protection.²³⁰ The uncertainty with production may remain even after the incentive of copyright.

4.1.2 Merger of Intrinsic and Extrinsic Factors

It has been said that production depends on the creative pleasure of the author and not on the incentive of copyright protection. Therefore, instead of extrinsic factors, the intrinsic factors influence an author to create a particular work.²³¹ On the other hand, human minds may be motivated by future profits and the extrinsic factors may influence in a direct or in an indirect manner.²³² In reality, though, both these arguments are true and tend to merge in all the motivations for different kinds of authors.

According to Zimmerman, in the case of an amateur painter or a writer, the desire to create a work may come from an inner self.²³³ Following this line of argument, the success or failure in that particular work may not deter the author from creating a second work. Commercial success in either of the work may prove to be useful for the author. This initial commercial success would give an additional mileage and may bring about inspiration for the production of a new

²²⁹ It has been observed later in the research that commercial databases are mostly driven by the market requirement, *infra* chapter III, section 3.

²³⁰ The production of databases continued in US in absence of database legislation. It means market has a role to play other than the fact that there is enough incentive to continue production. *Infra* chapter III.

²³¹ *Supra* (n 207) - (n 212).

²³² *Supra* (n 212).

²³³ *Ibid*.

work. Therefore, we see a possible transition from intrinsic to extrinsic factors.²³⁴ If we were to decipher the reason behind the development of a new work, it will be difficult to separate the creativity derived from pleasure and the extrinsic factors involved therein.

For a professional painter or writer, the reason behind the production may be different from that of an amateur painter or writer. Unlike an amateur painter or a writer, the extrinsic factors play a major role and as such there is no possibility of a transition from intrinsic to extrinsic factors.²³⁵ Therefore, the argument that a painter or an author will not be influenced by an extrinsic factor is incomplete. Further, the argument that the decision to produce a particular work has no economic reasoning is incomplete. Similarly, the argument that only extrinsic factors influences production is also incomplete.

In a commercial context, extrinsic factor has a far greater role to play than creativity out of intrinsic pleasure.²³⁶ While production out of creative pleasure is possible, there is always the possibility that such creation is motivated by future profit. One cannot, however, disregard production made by a non-profitable organization, and this is where intrinsic factors play a greater role.²³⁷ There may be further possibility of transition from one factor to another depending on the commercial viability of a product.

²³⁴ Similar to arguments *Supra* (n 219).

²³⁵ *Supra* (n 226).

²³⁶ *Supra* chapter 1, section 1.

²³⁷ *Supra* (n 217).

Before deciding on the applicability of the factors, it is imperative to understand the position of the author in question.²³⁸ The factor that contributes towards the production is very subjective. Therefore, it is difficult to analyze the influence from an objective viewpoint. There is often a transition and merger of the two factors. Theoretically, the incentive through use of copyright protection may not actually be required for the purpose of growth, since it cannot guarantee production. The question is whether there is the theoretical need of a Database Right for a non-original database.²³⁹

4.2 Argument for a Database Right for Non-original Databases

A database with original selection or arrangement of the contents is a literary work and comes under Article 3 of the Database Directive.²⁴⁰ The other category of databases recognized under the Directive is non-original as per copyright standard. These databases are protected under Article 7 of the Directive.²⁴¹

Going by arguments made in the aforementioned sections, it is comprehensible that an author may be inspired out of creative pleasure to produce a database, which is original according to the standard prescribed in the Directive.²⁴² This

²³⁸ *Supra* section 4.1.1.

²³⁹ The standard of non-original databases as per the Database Directive, Article 7, Council Directive 96/9/EC.

²⁴⁰ Article 3, Council Directive 96/9/EC.

²⁴¹ Council Directive 96/9/EC.

²⁴² *Supra* section 4.1.1.

is, however, not the situation with non-original databases, which are not original in copyright sense. As a result there can be no creative pleasure in producing them.²⁴³ The argument of production based on creative pleasure is not applicable, since there is no influence of the intrinsic factor embedded within the human self. In the absence of the intrinsic factor, the extrinsic factor has a far greater role to play.

In the absence of creative pleasure in the production of non-original databases, it is difficult to identify incentives that are present for a database producer.²⁴⁴ These databases will be produced with the intention of maximizing profits. Therefore, logically incentive is required, which will ensure protection of the investment made by the producer.²⁴⁵ Database production may suffer without such initiative, thereby identifying a theoretical need of enacting a Database Right for databases that are non-original by copyright standard.²⁴⁶

²⁴³ In the context of public dissemination, there is a tendency to overlook “author’s incentive to spur the creation of fact-works”. The sheer “importance and utility of fact-works justify greater incentives for their creator”, Denise R Polivy ‘*Feist* applied: Imagination protects, but perspiration persists – the bases of copyright protection for factual compilation’ (1997-98) 8(3) *Fordham Intell Prop Media & Ent L J* 773, 777-778.

²⁴⁴ Although for some poets creativity has a greater value than monetary incentives, the same is unlikely for “prosaic compositions”, Ginsburg, (n 166) 1865, 1908; It may be the case that database producer will produce databases if there is a market for it. There may not be any additional incentives required to fundamentally initiate production of databases. This is clear from the annual reports and production of databases in US, Chapter III, section 3; This proposition is contrary to the thought that these works (compilation of facts) may require a prompt to their production, Jane C Ginsburg, ‘No “Sweat” ? Copyright and the Protection of Works of Information after *Feist v Rural*’ (1992) 92(2) *Colum L Rev* 338, 341.

²⁴⁵ Following the argument that intellectual property in purely business sense acts as an incentive, Zimmerman (n 203) page [30].

²⁴⁶ Council Directive 96/9/EC.

While this is the theoretical argument for enacting a Database Right, the practical effect of such right in the context of the number of databases produced has shown interesting results. The effect of the Database Right has been observed through the lens of the first evaluation report of the Database Directive.

5.0 Evaluating incentive requirement through first evaluation report of 96/9/EC

The first official performance report of the Database Directive primarily focused on the assessment of policy goals behind the introduction of the new Database Right in Europe.²⁴⁷ Broadly, the evaluation report considered whether there has been an increase in investment towards production of databases and whether growth rate of the European database industry has increased after the introduction of the Database Right.²⁴⁸ The report investigated whether beneficiaries under the new legislation have actually produced more databases than they would have done in the absence of database legislation.²⁴⁹ For the aforementioned purpose, the report consulted the results of an online survey addressed to the European database industry, and the empirical evidence generated from Gale Database Directory (GDD). The online survey was sent to 500 European database companies and organizations involved in e-business. They comprised of publishers, suppliers of data and information, database manufacturers and distributors. Out of 500 companies covered by the survey,

²⁴⁷ First Evaluation of Directive 96/9/EC, para [2.1].

²⁴⁸ *Ibid.*

²⁴⁹ *Ibid.*

only 101 responded.²⁵⁰ GDD was the second source other than the survey. At the time of the report, GDD was the only available database that provided statistical information on growth of database industry in the world.²⁵¹

The online survey considered the level of investment towards the production of databases. In the survey, 49% of the respondents believed that the level of investment increased by more than 20% after 1996. While 37% said that the investments were between zero-20%, while 15% believed that it has remained same or actually decreased. The increase in investments has been mainly towards improving information technology and staff development.²⁵²

The second part of the report focused on the actual evolution of database sales to measure the impact of Database Directive.²⁵³ European Association of Directory and Database Publishers (EADP) claimed significant increase in supply of information after the enactment of the Database Directive. In the opinion of EADP, the difference between the number of databases produced and the amount of information delivered through databases should be recognized.²⁵⁴ The evaluation report conceded that measuring the number of databases might not be the only way to assess the evolutionary nature of the sale of databases. Supply of information could be a possible alternative.²⁵⁵

²⁵⁰ Ibid, para [1.3].

²⁵¹ Ibid.

²⁵² First Evaluation of Directive 96/9/EC, para [4.2.2].

²⁵³ Ibid, para [4.2.3].

²⁵⁴ Ibid.

²⁵⁵ Ibid.

However, EADP neither provided any empirical evidence, nor did they propose the methods to be used to quantify and measure information delivered through databases.²⁵⁶ In the absence of other empirical evidence, the impact of Database Directive, especially the Database Right, had to be measured by the number of databases produced.

GDD measured the size of the database industry in terms of database entries in the directory. According to the directory, the number of European databases in 2004 was 3095 when compared to 3092 in 1998. This number increased from 3092 in 1998 to 4085 in 2001, but recorded a decline in 2004.²⁵⁷ Although GDD was consulted, the report introduced important caveats about the empirical evidence used to judge the performance of the Directive. For instance, there was no clear indication about the parameters for recognizing a database before their entry is recorded in the GDD. There is a possibility that the wide scope of the definition of database under the Database Directive is not well represented in the directory.²⁵⁸ Thus, the GDD report is considered as a rough estimate of the performance of the database market in Europe.²⁵⁹ In the context of the 'fall' in the number of databases in 2004 as compared to 2001, the EADP argued that the fall does not represent decrease in sale of database, since the level of supply of information *via* databases has not decreased. There

²⁵⁶ Ibid.

²⁵⁷ First Evaluation of Directive 96/9/EC, para [4.2.3].

²⁵⁸ "It appears entirely possible that certain compilations such as newspapers, magazines and electronic programme guides, which would fall within the scope of the Directive, have not been counted as a database entry in the GDD statistics", Ibid.

²⁵⁹ Ibid.

was no evidence given in support of this argument. Further, EADP claimed that there was a change in delivery of databases from stand-alone product to portal based applications, thereby providing a single point access to many databases.²⁶⁰ The fall in the number of databases resulted because of a transition in the medium of delivery of information from magnetic tapes, diskettes, and CD-ROM, to single point access portal. GDD has failed to consider this aspect and, therefore, their report is incorrect in the context of the European database market.²⁶¹ The report conceded that there is considerable uncertainty with the figures given in the GDD and further empirical evidence must be consulted before taking any firm policy measures.²⁶² However, the report did say that Database Right did not have any proven economic impact on the production of databases in Europe.²⁶³ One of the recommended policy measures was to repeal the Database Right from the Database Directive.²⁶⁴

The report questions the incentive of a Database Right even though there may have been a theoretical need to incentivize production of non-original databases. The findings of the report must be analyzed in greater detail to understand the impact of Database Directive and to have a greater understanding of the reasons behind the enactment.

²⁶⁰ *Ibid*; For example Westlaw, a portal based application, forms a single point of access to many databases.

²⁶¹ First Evaluation of Directive 96/9/EC, para [4.2.3].

²⁶² *Ibid*.

²⁶³ *Ibid*, para [1.4].

²⁶⁴ *Ibid*, para [1.5].

5.1 Question of Investment and Production

The report cited increase in investment towards databases subsequent to the passage of the Directive, although there was no increase in the number of databases. There have been differences in opinion for confining the impact of Database Right to certain databases only.²⁶⁵ Since the numbers did not match with increase in investment, there is a possibility that investments incurred towards production did not reflect the true picture. The numbers stated in GDD are not free from ambiguity, since the report expressed doubt over the reliability of such data. In the words of the report, the GDD should only be considered as a rough estimate.²⁶⁶ Therefore, increase in investment and reliability of the empirical data must be further analyzed.

5.1.1 *Increase in investment is not explicit*

The report did not question the increase in investment towards production of databases. In fact, the online survey conducted as a part of the report reflected increase in investments.²⁶⁷ The following table represents the structure of investment.

²⁶⁵ Ibid, para [4.2.3].

²⁶⁶ Ibid, para [4.2.3].

²⁶⁷ First Evaluation of Directive 96/9/EC, para [4.2.2].

Table: Investments of the European database industry

AREA OF INVESTMENT IN DATABASE INDUSTRY	PERCENTAGE OF INVESTMENT
Information technology	(85.1%)
Staff to feed data into a database	(69.3%) (65.3%)
Staff to run a database	(64.4%)
Marketing/advertising of a database	(63.4%) (62.4%)
Staff to collect data	(58.4%)
Acquisition of data	(35.6%)
Licences	(21.8%)
Office space	
Other	

Source: Commission services' online survey (August-September 2005)

About 88% percent (49% and 37%) of respondents in the online survey believed that investment increased by 20% or more.²⁶⁸ The above table shows sectors where investment has been made by the European database industry. Each category represents the sum total of investments (percentage) made by the respondents in that particular category. For instance, 85.1% of investment in information technology is the total percentage of all investments made by the respondents towards information technology. Two major areas have been information technology and information technology staff. The primary idea

²⁶⁸ First Evaluation of Directive 96/9/EC, para [4.2.2].

behind the enactment of the Database Right was to create an atmosphere for producers to invest more towards databases.²⁶⁹ In the age of electronic communication, there was concern that absence of special legislation would lead to less investments.²⁷⁰ Therefore, increase in investment should be encouraging from the point of enacting the Database Right. Although the figures record an increase in investments, there is considerable apprehension with such conclusion. Only 101 (20%) of the companies replied to the survey, representing a fraction of the total number of companies involved in the business.²⁷¹ Among 101 companies, 80% said that there has been increase in investment, which makes eighty companies out of a total of 500.²⁷² The argument of increase in investment has been based only on the reply of (80 out of 500) 16% companies. This makes statistic less credible.²⁷³ Although there is a trend of increased investment towards databases, the figures do not give an explicit picture. Therefore, Database Right incentive may not have worked for the industry.

Further, it is difficult to comprehend the reason behind such poor response from companies in a matter that was so important for the future of Database Right.²⁷⁴ Companies should have been much more pro-active in their response if

²⁶⁹ Council Directive 96/9/EC.

²⁷⁰ *Ibid.*

²⁷¹ Total number of companies in the survey was 500; *Ibid.*, para [4.2.2].

²⁷² *Ibid.*

²⁷³ There has been criticism about the size of the sample used and critique said that the conclusion of the report should not be treated seriously, Derclaye (n 115) page [297].

²⁷⁴ Similarly there was a gap of five years after the decision of *Feist* in the US and the debate for enacting legislation for protecting databases only started in 1996. The gap essentially means less concern on the part of the publishers, *Infra* chapter III, section 2.

Database Right was an incentive for production. The lack of response gives the impression that Database Right may not have been considered as an incentive.²⁷⁵

5.1.2 History of database production questions incentive

The report questioned the utility of Database Right based on less number of databases and GDD was the only available option in the absence of any other empirical data. In the first draft proposal it was expected that by virtue of the Database Right, European markets were expected to compete with the US market.²⁷⁶ Therefore, it is questionable as to how the European market would compete without producing more databases. The report observed that introduction of the Database Right was to stimulate database production.²⁷⁷ It is therefore, difficult to justify the position that the number of databases remained the same, since it questions the utility of providing an incentive to produce. The example of Database Right creates a doubt that incentives may not always guarantee production.²⁷⁸

There has been criticism of the report because the empirical evidence reflects position of one database i.e. GDD.²⁷⁹ In fact, there were no other comparable databases to assess the empirical evidence. Under these circumstances, the evidence is limited and may not be an actual representation of the number of

²⁷⁵ *Infra* chapter III.

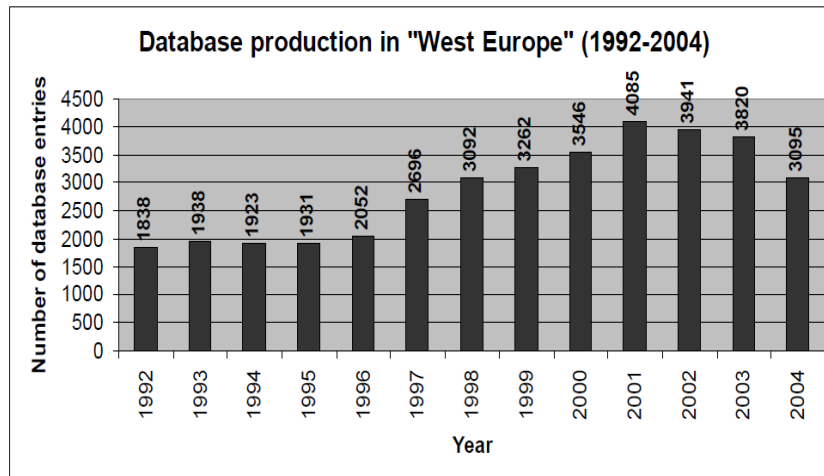
²⁷⁶ (COM (92) 24 final), para [1.1].

²⁷⁷ First Evaluation of Directive 96/9/EC, para [1.4].

²⁷⁸ *Supra* section 4.

²⁷⁹ Derclaye (n 115) pages [275] and [297].

databases produced in Europe.²⁸⁰ The report stated that the number of databases was equivalent to pre-Directive levels.²⁸¹ This may give impression that there was no production between 1996 and 2004. In reality, however, the following table represents a different situation.



Source: The *Gale Directory of Databases* 2005, Vol. 1, Part 2.

Subsequent to the incorporation of Database Right in 1998, there was steady increase in the number of databases, and by 2001, a growth of 25% was noticeable in the European database industry.²⁸² After 2001, however, production fell to the pre-Directive level.²⁸³ If incentive of Database Right played a role in the rise of 25%, such incentive did not have similar effect when numbers were decreasing. Therefore, the incentive worked differently in the period of six years (1998-2004). The EADP said that decrease in media like

²⁸⁰ The Evaluation Report introduced certain caveats detailing the limitation of the study, First Evaluation of Directive 96/9/EC, para [4.2.3].

²⁸¹ First Evaluation of Directive 96/9/EC, para [4.2.3].

²⁸² The numbers increased from 3092 to 4085, which was an increase of almost 1000 databases; In 1998 member States started to incorporate the Database Right in their national laws.

²⁸³ The fall was from 4095 to 3095, i.e. about 1000 databases.

magnetic tapes, diskettes and CD ROMS led to the disappearance of some of the databases.²⁸⁴ New media should have developed, even if the old media disappeared due to technological change. In fact, Database Right was introduced for the delivery of information through various new media in the electronic age.²⁸⁵ Despite shortcomings of the empirical evidence, this report provides an insight on the application of incentive theory and confirms that incentives may not always work.²⁸⁶

The report did refer to the actual number of databases produced as a way to assess the performance of the Database Directive. Reference to numbers to establish a certain argument is not something that has not happened on previous occasion. At the time of the proposal, the explanatory memorandum highlighted the immense potential of European database industry with the help of numbers.²⁸⁷ The assessment of the potential market was not based on supply of information.²⁸⁸ Following a similar logic, numbers can determine the performance if similar method has been followed at the time of assessing potential. Although the exact number of databases produced in Europe is questionable, the report indicates the trend that European market did not react to the incentive of Database Right. The incentive was not considered to produce more databases at the time of technological developments.

²⁸⁴ First Evaluation of Directive 96/9/EC, para [4.2.3].

²⁸⁵ (COM (92) 24 final), para [1.3].

²⁸⁶ *Supra* section 4.

²⁸⁷ *Supra* (n 105) - (n108).

²⁸⁸ *Ibid*.

5.2 ***Was Economic Evidence Required Before Enactment?***

The report concluded on a note that there is no proof that Database Right was able to stimulate database production in Europe.²⁸⁹ It questions the actual requirement of Database Right. The explanatory memorandum to the first draft said that the “...Directive aims to address both the creative and economic aspects of the protection of databases”.²⁹⁰ Protection of investment through the enactment of the Database Right is an economic right.²⁹¹ In an implicit way, the report questioned the economic evidence that led to believe that Database Right was a necessary economic incentive for producers. Commentators have said that the exact requirement of database legislation is not clear, since there was no evidence of piracy preceding such legislation.²⁹² Economic justification behind the enactment of Database Right was not fully developed, since empirical evidence was not consulted prior to the enactment of Database Right.²⁹³ Further, justification of the Database Right is an economic one and validity of such justification is in the empirical evidence.²⁹⁴ There was no incidence of market failure or any conclusive evidence to suggest the requirement of Database Right. Hence, the introduction of Database Right was purely

²⁸⁹ First evaluation of Directive 96/9/EC, para [1.4].

²⁹⁰ (COM (92) 24 final), para [4.2.6].

²⁹¹ Article 7, Council Directive 96/9/EC.

²⁹² Bitton (n 113) page [1432].

²⁹³ Ibid, Mark Powell (n 171) page [1225]; Davison (n 72) pages [6]-[7]; Pamela Samuelson, ‘Should economics play a role in copyright law and policy’ (2003-04) 1(1-2) Univ of Ottawa L T J 1, 14.

²⁹⁴ P Drahos, *A Philosophy of Intellectual Property* (Dartmouth, Aldershot, 1996) 7; Mark J Davison, (n 72) pages [6]-[7].

speculative in nature.²⁹⁵ Absence of economic evidence prior to enacting the Directive is reflected on the structure of the Database Right. In the opinion of Guido Westkamp, the prime intention of the Database Right is to locate substantial investment to merit protection. This approach has excluded the intention of database maker. Moreover, there is no need for the database maker to show any market failure or “potential danger in recouping investment”.²⁹⁶ A database maker only needs to show that extraction has been substantial. Thus, the Directive allows for less stringent threshold and protection of “mundane collection of information”.²⁹⁷ This shows that the economic impact on the publishers have been totally excluded, although the explanatory memorandum discussed the economic impact on publishers.²⁹⁸ Thus, economic evidence in formation of the Database Right and further economic links in the subsequent application of Database Right are both absent.

5.2.1 No consultation of any evidence

The objective of the Database Right was “to create a climate in which investment in data processing can be stimulated” by way of protecting contents of a database against misappropriation.²⁹⁹ In the background of this objective, it

²⁹⁵ “EU accepted ...the underlying economic assumptions of proponents of database protection and assumed that with no legal protection producers will have no incentive to produce databases”, Bitton (n 113) pages [1411] and [1426].

²⁹⁶ Guido Westkamp, ‘Protecting Databases Under US and European Law- Methodical Approached to the Protection of Investments between Unfair Competition and Intellectual Property concepts’ (2003) 34(7) IIC 772,785,793.

²⁹⁷ Ibid.

²⁹⁸ (COM (92) 24 final), page [25].

²⁹⁹ Ibid.

is interesting to note that economic consideration was not the rationale behind the formation of Database Right.³⁰⁰

This contention is particularly interesting since reading of the Recitals makes it clear that the Directive followed the economic analysis of informational goods.³⁰¹ Recital 8, 10 and 11 reflects upon the economic aspects involved in the Directive. In particular, Database Right and corresponding Recitals indicate that justification behind adopting such right was purely economic.³⁰² The purpose of Database Right was to garner economic benefits, but there was no substantive empirical evidence that suggested imminent problems.³⁰³ For instance, enormous potential of the European database industry was expressed without any empirical evidence suggesting the requirement of a Database Right.

5.2.2. Issue of Imbalance

As Database Right was enacted without any economic evidence, it would have been difficult to know the requirement constituting structure of such right.

³⁰⁰ This non-consultation of economic evidence must have been in the context of the current structure of the Database Directive. The explanatory memorandum, attached to the first proposal did develop the empirical research and economic evidence concerning the possibility surrounding the European database market in the information age. It was provided as a pre-text to harmonizing protection of databases, (COM (92) 24 final), para [1.0].

³⁰¹ Council Directive 96/9/EC; “Strong economic motives underpinned the adoption of Database Directive”, Maurizio Borghi and Maria Lilla Montagnani, ‘Promises and Pitfalls of the European Copyright Harmonisation’ in David Ward (ed.) *The European Union and the Cultural Industries* (2007 Ashgate Publishing) page 13; Derclaye (n 72) page [39].

³⁰² J Philips, *Databases, the Human Rights Act and EU law* in J Griffiths and U Suthersanen (eds), *Copyright and Free Speech, Comparative and International Analyses*, (Oxford University Press, 2005) 411; Derclaye (n 72) page [40].

³⁰³ Bitton (n 113) page [1426].

Therefore, it is a challenge to estimate the overall balance in such legislation.³⁰⁴ One of the general ways to determine the efficiency in a particular legislation is to check the cost and social benefits.³⁰⁵ In the context of copyright, it has been said that "...economic analysis provide some guidelines for the delimitation of copyright protection".³⁰⁶ The requirement must be questioned to assess whether there is at all a need for legal protection to solve public good problem. The overall balance must be questioned before the demand of a new incentive is met.³⁰⁷ If cost outweighs benefits then the legislation is detrimental to the society.³⁰⁸ On the other hand, if benefits are greater than cost incurred then the legislation is much more desirable.³⁰⁹

For the purpose of investment, it is difficult to predict the incentive required for a particular database producer.³¹⁰ There is an inherent difficulty in balancing incentive to correct possible market failure.³¹¹ For instance, prior economic consultations have taken place in the EU for framing appropriate rules for copyright protection of computer programs.³¹² At the point of inception,

³⁰⁴ Estelle Derclaye's work looks at the issues of over protection and under protection in relation Database Directive, Derclaye (n 72).

³⁰⁵ Van Der Bergh (n 148) page [32].

³⁰⁶ Ibid.

³⁰⁷ Herr (n 147) pages [70]-[71].

³⁰⁸ Ibid.

³⁰⁹ Ibid.

³¹⁰ To know the optimal level of protection is a difficult proposition, Van Der Bergh(n 148) page [32]; Incentive theory does not tell much about the "structure of intellectual property" i.e. the requirement, other than stating that intellectual property rights should be as "strong as possible", Ghosh (n 204) page [97].

³¹¹ Arguing that not enough economic analysis is done for the purpose of policy making in the field of intellectual property law, Pamela Samuelson (n 293).

³¹² This has been said in the context of Article 6 of the Software Directive Council Directive 1991/250/EEC of 14 May 1991 on the legal protection of computer programs [1991] OJL122/1; This Article permits de-compilation of the computer program code for the purposes of achieving

economic evidence could have possibly estimated requirement of the incentive of a novel Database Right.³¹³ The Database Right is thus prone to suffer from overall imbalance.³¹⁴

We have come across various reasons and arguments that were cited at the time of enacting the Directive. There was also a quick reference to the decision of *Feist*.³¹⁵ The report stated that US did not react to the decision of US Supreme Court in *Feist*. Nevertheless, Europe went ahead with the enactment of Database Right.³¹⁶ This means *Feist* could have possibly played some part at the time of enacting the Database Right. It also means some possible development was expected in database market with the *Feist* decision in place.

6.0 ***Feist* at Centre Stage of European Database Debate**

The *Feist* decision was identified in the explanatory memorandum as an emergence of “... new-line of jurisprudence” that “...rejects the ‘sweat of the brow’ criteria and requires originality in the copyright sense”.³¹⁷ Further, electronic databases, and to some extent, databases in paper-format will be excluded from the purview of copyright protection failing the test of originality.³¹⁸

interoperability among programs, Pamela Samuelson (n 293); A substantial empirical research shows that increase in copyright protection does not automatically mean the increase in number of work produced. Raymond Shih Ray Ku & others, ‘Does Copyright Law promotes creativity? An Empirical analysis of Copyright’s Bounty’ (2009) 62(6) Vand L Rev 1667, 1694.

³¹³ There is no previous example of the Database Right in the world, Anna Koo, ‘Database Right decoded’ [2010] 32(7) EIPR 313, 313.

³¹⁴ Davison (n 72).

³¹⁵ *Feist Publications* (n 4).

³¹⁶ First evaluation of Directive 96/9/EC, para [2.4].

³¹⁷ (COM (92) 24 final), para [2.3.3].

³¹⁸ *Ibid.*

This non-protection would be “...regardless of the skill, labour, effort or financial investment expended in their creation”.³¹⁹ It was believed that in commercial context, electronic databases must be comprehensive in order to be useful. On the ground of comprehensiveness, it would be difficult for those databases to meet the requirement of originality based on selection or arrangement of the contents.³²⁰

Commentators have noted the inclusion of Database Right based on the decision of *Feist*. The Head of the Unit in the Directorate General for Copyright Policy ‘...apparently decided to introduce a *sui generis* right in the draft [proposal] after reading [the *Feist*] decision’.³²¹ Other than the *Feist* decision there was *Van Daele* in the Netherland.³²² The *Van Daele* case concerned the copyrightability of a dictionary in Dutch language. In this case, the plaintiff Van Daele, alleged infringement in the act of copying keyword entries in the dictionary of the plaintiff. Although this decision was before the *Feist* decision, similar to *Feist*, the Dutch Supreme Court said that there was no originality in a compilation of ‘factual information’. Such compilation only becomes original by virtue of selection expressing the personal view of the maker.³²³

³¹⁹ Ibid.

³²⁰ Ibid.

³²¹ Daniel J Gervais, ‘The protection of databases’ (2007) 82(3) Chicago- Kent Law Review 1109, 1119.

³²² With reference to the US Copyright Law, factual information is also referred as “fact-works” meaning works, which compile and communicate factual information, Robert A Gorman, ‘Fact or Fancy? The Implications for Copyright-The Twelfth Annual Donald C Brace Memorial Lecture’ (1982) 29(6) Journal of the Copyright Society 560, 561.

³²³ Romme/Van Dale Lexicografie, B.V., Hoge Raad der Nederlanden [HR] [Supreme Court of The Netherlands], 4 January 1991, *translated in* Protecting works of facts: Copyright, Freedom OF Expression and Information LAW, app. I 93-96.

The Database Right was enacted in Europe as a remedial measure further to the apprehension that *Feist* decision will de-incentivize production of databases.³²⁴ One can notice that the urge to act was even greater after *Feist*, since *Van Daele* was decided prior to *Feist*. The explanatory memorandum has only referred to *Feist* decision, and such reference indicates a distinct argument for enacting the Database Right.³²⁵ This thesis restricts further discussions to the implications and effect of the *Feist* case.

There was a sense of urgency to act after the *Feist* decision.³²⁶ This sense of urgency relates to functioning of the European market, although *Feist* decision merely reflected the position of US. The aforementioned information is indicative of the fact that irrespective of jurisdictions, *Feist* decision was believed to hold the key to the future of electronic databases.³²⁷ In Europe, lack of uniformity in copyright protection and the difference in threshold of originality was an additional concern.³²⁸ The Commission expressed, “if [harmonization] is not done quickly, there is a risk that member States may legislate expressly in widely differing ways...”³²⁹ The thought of member States legislating differently may have been the reason to act immediately after the *Feist* decision. Moreover, database production has been a platform for comparing competitive

³²⁴ Gervais (n 321).

³²⁵ (COM (92) 24 final), para [2.3.3].

³²⁶ *Ibid.*

³²⁷ Gervais (n 321).

³²⁸ (COM (92) 24 final), para [2.2.5].

³²⁹ *Ibid.*, page [16].

strengths of Europe and US.³³⁰ Gaining competitive edge over US was an issue and has been stated in many of the official communications of the European Commission.³³¹ The thought that US would be at a considerable disadvantageous position after *Feist* without a Database Right in place, may have further expedited the process of database legislation in Europe.

6.1 Change in the Requirement of Copyright Protection

There was an impression that the US Supreme Court issued new guidelines in the context of copyright protection of databases. These guidelines represented an emergence of “new-line of jurisprudence”.³³² This indicates that *Feist* decision was unique and the arguments made in this particular case were fundamentally different from the arguments made in other cases under similar circumstances.³³³ For databases, ‘sweat of the brow’ was an existing basis to merit copyright protection, which was subsequently replaced by the selection or arrangement criterion. This transition from the acceptable ‘sweat of the brow’ to the ‘new’ criterion of selection or arrangement was a concern for the future of electronic databases, since they were likely to be comprehensive and less selective in nature.³³⁴ In the back drop of all these arguments, one needs to understand the structure of an electronic database.

³³⁰ The first evaluation report compared the production of databases in Europe to the production of databases in US, First Evaluation of Directive 96/9/EC, para [2.4].

³³¹ (COM (88) 584 final), page [207] ; (COM (92) 24 final) page [7].

³³² (COM (92) 24 final), para [2.3.3].

³³³ There is a detailed discussion covering the *Feist* decision, *Supra* chapter II.

³³⁴ (COM (92) 24 final), para [3.1.9].

An electronic database typically comprises of three components: contents, logical schema that describes the contents and their relationship with each other, and a database management system, which helps in searching for information in the database.³³⁵ There are two kinds of selection mechanism possible in an electronic database. The first one may be adopted at the point of collecting the data. A second type of selection or arrangement is possible, while presenting the information to a user.³³⁶ At the initial stage, the primary objective is to make databases commercially viable and the maker intends to make the contents comprehensive to raise usefulness of an electronic database. Therefore, for comprehensive databases, selection is not expected at the initial stage, however, it depends on the type of the database in question.³³⁷ At the second stage of making an electronic database, database maker follows selection or arrangement to present the collected data in an informative way. This is an important stage where the maker gets the opportunity to show creativity with respect to an electronic database. Selection and arrangement at a logical schema stage, and the structure representing connections between the logical schema and the database management system should come under the scope of copyright threshold.³³⁸ Selection or arrangement at the logical stage provides an opportunity for the user to select and access information.³³⁹

³³⁵ Herr (n 147) pages[28]-[30]; See generally for the structure of a typical database, Wesley L. Austin, 'A Thoughtful and Practical Analysis of Database Protection under Copyright Law, and a Critique of *Sui Generis* Protection' (1997) 3 (1) J of Tech L & P available at < <http://jtlp.org/vol3/issue1/austin.html#EN97>> (accessed 10 June 2010).

³³⁶ This assertion is based on the working of databases like Westlaw and LexisNexis

³³⁷ *Infra* chapter V, section 3.2.

³³⁸ L Ray Patterson, 'Copyright overextended: a preliminary inquiry into the need for a federal statute of unfair competition' (1991-92) 17(2) U Dayton L Rev 385, 394.

³³⁹ *Infra* chapter III, section 3.2.

This is contrary to the belief that there is no selection or arrangement on the part of the database producer and working of a database depends on the selection of the user.³⁴⁰ Selection or arrangement mechanism is compulsory for an electronic database to function.

6.2 The Incentive of ‘Sweat of the Brow’ Argument for Electronic Databases

The explanatory memorandum makes it clear that removal of ‘sweat of the brow’ will be detrimental for the database producers.³⁴¹ This contention implies that ‘sweat of the brow’ acted as an incentive for the producers to invest towards databases.³⁴² Depending on the size of a database, process of collection may involve substantial investment. Further, contents of a database comprising of factual information may be used by any second comer, since protection extends only towards creativity in selection or arrangement of the contents. There is lack of incentive for the database maker if the second comer obtains the valuable contents without incurring any legal liability.³⁴³ ‘Sweat of brow’ was ideally placed in this situation, since protection extends to the contents, thereby providing enough incentive for producers.³⁴⁴ According to the ‘sweat of the brow’ theory, a second compiler must expend similar effort in collecting the same factual information contained in the first compilation.³⁴⁵ Therefore, in absence of creativity through selection or arrangement of the

³⁴⁰ Patterson (n 338).

³⁴¹ (COM (92) 24 final), para [3.1.9].

³⁴² Ibid.

³⁴³ (COM (92) 24 final),page [25].

³⁴⁴ Ibid, para [3.1.9].

³⁴⁵ Detailed argument on sweat of the brow theory see *Infra* chapter II.

contents, the first compiler may protect the collection by virtue of the expended effort.³⁴⁶ The Commission suggested that the presence of sweat of brow would have incentivized production of electronic databases that are comprehensive in nature. Thus, the thought of inadequate protection of investments in electronic databases led to the development of the new Database Right.³⁴⁷

6.3 Assumption of Adverse Effect

The effect of *Feist* was considered detrimental for the production of databases and therefore, immediate action was solicited. The impact, however, was not analyzed and the remedial measure *via* the Database Right was merely assumed.³⁴⁸ There was not enough evidence to suggest that immediate action in form of an incentive was required to curb the negative effect of the *Feist* decision.³⁴⁹ The evaluation report has said that unlike Europe, US did not initiate any process for the enactment of database legislation.³⁵⁰ Therefore, it is questionable whether there was immediate requirement. Despite having no immediate requirement, one has to consider that the objective of the European database industry was to compete internationally, especially with the leading

³⁴⁶ *Ibid.*

³⁴⁷ Jane Ginsburg has explained this question of incentive in the context of the fact/expression distinction in copyright law and the issue of public access. She said, “when both the first and second works are low authorship products, the second comer’s free reuse of the first compilation may not advance the public access policies underlying the fact/expression distinction, but may simply discourage production of these kinds of works. If the second work directly competes, the public makes no gain in knowledge, while the incentives to the first compiler would be compromised”. To balance access and incentive work she suggested use of compulsory license, Ginsburg (n 166) page [1915].

³⁴⁸ (COM (92) 24 final), para [2.3.3].

³⁴⁹ In the context of US database market, *Infra* chapter III.

³⁵⁰ First Evaluation of Directive 96/9/EC, para [2.4].

US database industry.³⁵¹ The background of *Feist* decision may have provided the required initiative to proceed with database legislation in the EU.³⁵² The utility of such action depends on whether *Feist* had the expected adverse effect in the US database market where there was no database legislation.³⁵³ Europe followed a pro-active step by enacting a Database Right that had no precedent in the world market. Further analysis is required with reference to uniqueness attached to the *Feist* decision in US and the impact of *Feist* on production of databases.

³⁵¹ *Supra* section 1.

³⁵² *Ibid*; (COM (92) 24 final), para [2.3.3].

³⁵³ *Infra* chapter III.

CHAPTER II

***FEIST* THRESHOLD FOR COMPILATIONS WAS NOT A NEW-LINE OF JURISPRUDENCE IN UNITED STATES OF AMERICA**

The draft proposal to the Database Directive contemplated that *Feist* decision brought about a new-line of jurisprudence in US.³⁵⁴ According to this decision, factual compilations must be original by virtue of selection or arrangement of the contents.³⁵⁵ It was believed that this new law replaced ‘sweat of the brow’ argument for copyright protection.³⁵⁶ According to this argument, a compilation merits copyright protection if sufficient amount of labour has been expended by the compiler. Removal of sweat of the brow theory from the ambit of copyright protection was held detrimental for future production of databases.³⁵⁷ This chapter shows that *Feist* decision was not unique and it re-iterated existing copyright law in US. *Feist* tried to resolve the conflict relating to the threshold of originality in limited circuits. The threshold standard stated for copyright protection was not a surprise for the US Copyright Office. Further, the guidelines of *Feist* decision have been consistently followed in decisions dealing with the question of copyrightability of factual compilations.

³⁵⁴ (COM (92) 24 final), para [2.3.3].

³⁵⁵ *Feist Publications* (n 4).

³⁵⁶ (COM (92) 24 final), para [2.3.3].

³⁵⁷ (COM (92) 24 final), para [3.1.9].

1.0 ***Feist* Decision: Guiding Principles for Factual Compilation**

The decision of *Feist* finds a special reference in the explanatory memorandum to the first draft proposal.³⁵⁸ According to the memorandum, *Feist* showed that copyright is not the right kind of protection for databases that are factual in nature.

Feist case questioned the copyrightability of a telephone directory and primarily said that factual compilations must be original to merit copyright protection.³⁵⁹ Originality could only be an outcome of creativity, and should be associated with the selection, co-ordination or arrangement of the contents in a compilation.³⁶⁰ In this case, Rural provided telephone service to the communities in Kansas. As per the State regulation, Rural published a telephone directory constituting the names and addresses of its subscribers. Feist was in a similar business and specialized in area-wide telephone directories covering larger geographic range. They extracted portions of Rural's directory without consent. This was after Rural had refused to license white pages covering 11 different telephone service areas. After the extraction was complete, Feist altered the listings according to their requirement, although many of the listings were identical to the original listing published by Rural. As a result, Rural claimed copyright infringement of their telephone directory. The United States District Court for the District of Kansas held that white pages

³⁵⁸ (COM (92) 24 final), para [2.3.3].

³⁵⁹ *Feist Publications* (n 4) page[348]; *Nimmer on Copyright: A Treatise on the Law of Literary, Musical and Artistic Property and the Protection of Ideas*, Vol1, para 2.01 [A]-[B](issue 75-5/2008,80-12/2009, 63-4/04, 82-8/2010- Pub.465); Robert C Denicola, 'Copyright in Collections of Facts : A theory for the protection of nonfiction literary works' (1981) 81(3) Colum L Rev 516, 525.

³⁶⁰ *Ibid.*

directory of Rural was copyrightable, and hence there was clear copyright infringement.³⁶¹ When Feist appealed, Court of Appeal for the Tenth circuit affirmed the judgement of the District Court.³⁶² The US Supreme Court, however, reversed the judgement on Constitutional and Statutory grounds. According to the Supreme Court, white pages directory did not meet the requirement of originality under the statutory provision of US Copyright Law or under the US Constitution.³⁶³

The US Congress enacts copyright law, based on the power vested by the US Constitution. According to Article I, § 8, clause 8 of the Constitution, the US Congress may enact legislation “To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive right to their respective Writings and Discoveries”.³⁶⁴ In the *Feist* decision, the US Supreme Court stressed that originality is a Constitutional requirement, and terms like ‘authors’ and ‘writings’, have been considered in previous cases.³⁶⁵ The Supreme Court referred to *The Trade-Mark Cases* and *Burrow-Giles Lithographic Co. v. Sarony (Burrow-Giles)*. These two cases, while defining

³⁶¹ *Rural Telephone Service Co. v. Feist Publications*, 737 F. Supp. 610 (D. Kan. 1990).

³⁶² *Feist Publications* (n 4) page [344].

³⁶³ *Ibid*, pages [345]-[354]; “Originality is a statutory, as well as a constitutional requirement” *Nimmer on Copyright*, Vol. 1, para1.06 [A] (issue 85-8/2011 Pub 465).

³⁶⁴ *Nimmer on Copyright*, Vol1, para 1.02(issue 74-11/2007 Pub. 465).

³⁶⁵ “Authors” and “Writings” in Article I, § 8, cl. 8 of US Constitution ; “Requirement of originality is more generally regarded as due to this use of the term “authors” in a subsequent phrase of the Copyright Clause.”, *Nimmer on Copyright*, Vol1, para 1.03[B](issue 85-8/2011); On the point that originality is a Constitutional requirement, Patterson & Joyce, ‘Monopolizing the Law: The Scope of Copyright Protection for Law Reports and Statutory Compilations’ (1989) 36(4) UCLA L. Rev 719,759.

Constitutional terms like authors and writings, "...made it unmistakably clear that these terms presuppose a degree of originality"³⁶⁶

The Trade-Mark Cases were a composition of three cases: *United States v. Steffens*, *United States v. Wittmann* and *United States v. Johnson*.³⁶⁷ They were under one group as a single appeal case before the US Supreme Court. The subject matter of *Trade-Mark Cases* was counterfeiting of trade-marks. This case commented on the Constitutional scope of writings, in the context of trademark, invention or discovery.³⁶⁸ In the *Trade-Mark Cases*, the Supreme Court said that writings, in order to be protected, must be an outcome of creativity, and fruits of intellectual labour.³⁶⁹ This view finds support and criticism in the works of scholars. In the opinion of Nimmer, a work needs modicum of intellectual labour to come under copyright protection and "...clearly constitutes an essential Constitutional element".³⁷⁰ Likewise Saunders suggested that the Constitution on its face did not say about originality as a pre-requisite for copyright protection but the 'word' implies such requirement. The word in this context is 'authors'.³⁷¹ However, there are others who thought that *Feist* ignored historical evidence about the requirement of creativity. This is

³⁶⁶ *The Trade Mark Cases* 100 US 82(1879) and *Burrow-Giles Lithograph Co v Sarony* 111 US 53 (1884); *Feist Publications* (n 4) pages [345]-[354]; This proposition finds support in the work of Brian Dahl and he says that the use of the 'sweat of the brow' theory works against the requirement of originality under the US Constitution, Brian A Dahl, 'Originality and creativity in reporter pagination: a contradiction in Terms?' (1989) 74(4) Iowa L Rev 713, 720-721.

³⁶⁷ 100 US 82(1879) at 94.

³⁶⁸ *Ibid.*

³⁶⁹ *Ibid.*

³⁷⁰ *Nimmer on Copyright*, Vol1, para 1.08[C] (issue 60-4/03 Pub 465).

³⁷¹ Elizabeth M Saunders, 'Copyright protection for compilations of Fact: Does the originality standard allow protection on the basis of industrious collections' (1987) 62(4) Notre Dame L Rev 763,764.

because, the Supreme Court did not state the reason behind the proposition that US Constitution mandates level of creativity as something pre-requisite to copyright protection. There was no explicit assertion on the parameters required to meet such standard of creativity. Moreover, by referring only to *Trade-Mark Cases*, *Feist* decision completely ignored United States Copyright Law prior to the nineteenth century, where Courts and Commentators viewed originality in the context of independent creation.³⁷²

Similar to the *Trade-Mark* cases, the Supreme Court referred to the decision in *Burrow-Giles*.³⁷³ In this case, the question before the US Supreme Court was the copyrightability of a photograph of Oscar Wilde. It was alleged that *Burrow-Giles Lithograph* did not take prior permission before marketing lithographs of the photograph. Burrow-Giles claimed that a photograph would not come either under the Constitutional requirement of authors and writings, or under statutory provision of copyright law. One has to remember that the US Copyright Act of 1870, which was considered in the case, explicitly included photograph as a subject matter under copyright.³⁷⁴ While deciding the matter, the Supreme Court said ordinary photographs might be an outcome of a mechanical process,

³⁷² George Ticknor Curtis, A Treatise on the Law of Copyright: Books, Dramatic and musical composition, letters and other manuscripts, engravings and sculptures (A Maxwell and Son 1847) 171 and Eaton S Drone, A Treatise on the Law of Property in Intellectual Productions in Great Britain and the United States: Embracing Copyright in Works of Literature and Art, and Playwright in Dramatic and Musical Compositions (Little, Brown 1879) 198-99 and based on case decisions in *Emerson v. Davies*, 8 F. Cas. 615, 619 (C.C.D. Mass. 1845) (No. 4436) and *Gray v. Russell*, 10 F. Cas. 1035, 1037-38 (C.C.D. Mass. 1839) (No. 5728) in Jennifer R Dowd, 'A selection view on history: *Feist Publications, Inc v Rural Telephone Service Co.*' (1992-1993) 34 BCL Rev 137, 154-157.

³⁷³ *Burrow-Giles Lithograph Co v Sarony* 111 US 53 (1884).

³⁷⁴ U.S. Copyright Act 1870, 16 Stat. 198.

but not the photograph in question. The intellectual capacity of the author in selecting the right ambience for a photograph was considered relevant in this case.³⁷⁵ Author is defined as someone “...to whom anything owes its origin’ and that the scope of copyright, is limited to ‘original intellectual conceptions” of an author.³⁷⁶

Other than the Constitutional requirement of originality, the US Supreme Court in *Feist* considered the US Copyright Acts of 1909 and 1976. With reference to section four of the Copyright Act of 1909, copyright protection in accordance with the above outlined Constitutional requirements, is only available to “... all writings of an author”.³⁷⁷ This copyright protection is only for “the copyrightable components of the work”.³⁷⁸ While elucidating ‘all writings of an author’ in the context of the 1909 Act, the Supreme Court held that the Act had only talked about originality, which differentiates between copyrightable and non-copyrightable components in a particular work.³⁷⁹ *Feist* decision suggests that Section 4 of the 1909 Act, represented clearly the elements that may be copyrightable.³⁸⁰ However, it seems that issues as to copyrightability of factual compilations and the way to seek copyright protection was not explicitly clear under the 1909 Copyright Act. Although section 4 considered Constitutional terms like authors and writings, it was not explicitly clear whether such writings

³⁷⁵ *Feist Publications* (n 4) page [347].

³⁷⁶ *Ibid*; The Supreme Court defined author in Constitutional sense and established that authorship is the indispensable element of originality, *Nimmer on Copyright*, Vol1, para 1.06[A] (issue 85-8/2011).

³⁷⁷ Copyright Act of 1909, section 4.

³⁷⁸ *Ibid*, section 3.

³⁷⁹ *Feist Publications* (n 4) page [351].

³⁸⁰ *Ibid*.

should be original.³⁸¹ The preciseness, which was absent in the 1909 Copyright Act, was rectified in the 1976 Copyright Act. *Feist* case referred to certain changes made to the actual wordings of the 1909 Act. In place of “... all writings of an author” under Section 4 of the 1909 Act, it talks about “...original works of authorship”.³⁸² The 1976 Act, however, said that it was only clarifying existing law.³⁸³ Similarly, § 102(b) of the 1976 Act, replaced section 3 of the 1909 Act, and identified specific elements for which there is no copyright protection. § 102(b), among other things, stated that copyright protection does not extend to discoveries and ideas.³⁸⁴

There was an additional problem with the application of Section 5 of the 1909 Copyright Act. This section listed category of works that could be registered under copyright and included works like directories. Following such section, one may construe that the category of works referred under section 5 are copyrightable *per se* without the requirement of originality.³⁸⁵

Besides the 1909 Act, the *Feist* decision also considered the 1976 Copyright Act. Further to the requirement of originality, the 1976 Act has specifically stated that a factual compilation is original, if the contents (pre-existing

³⁸¹ *Ibid.*

³⁸² *Ibid.*, pages [354]-[358].

³⁸³ ‘House Report No. 94-1476(US Copyright Act, 1976)’ (*US House of Representatives*) available at <<http://uscode.house.gov/uscode-cgi/fastweb.exe?getdoc+uscview+t17t20+5+5++'fair%20use'>> (accessed 15 January 2010) page [51].

³⁸⁴ *Ibid.*

³⁸⁵ *Feist Publications* (n 4) page [352]; In *Miller v Universal City Studios, Inc* 650 F.2d 1365 (5th Cir 1981) page [1370] the problem associated with the application of section 5 of the 1909 US Copyright Act was stated.

materials, data or facts) have been “...selected, co-ordinated or arranged in such a way that the resulting work constitutes an original work of authorship”.³⁸⁶

After considering originality as a Constitutional and Statutory requirement, the US Supreme Court in *Feist* connected these requirements to the issue of copyrightability of the directory in question. In the process, the Court dealt with two questions. The first one was in relation to copyrightability of facts, and the second question considered copyrightability of factual compilations.³⁸⁷

As to the first question, the US Supreme Court held that facts could never be copyrightable, since facts do not originate from an act of authorship.³⁸⁸ Facts are only discoverable and creation of facts is not possible.³⁸⁹ In the opinion of Justin Hughes, the decision in *Feist* is faulty in this respect. There are facts that “clearly owe to discrete acts of human originality”.³⁹⁰ He gave the example of Equifax, which is a credit rating provider. One needs to carefully examine the

³⁸⁶ § 101 of Copyright Act, 1976; In the sense of copyright, *Feist Publications* (n 4) page [356]; *Mills Music Inc v. Synder* 469 U.S. 153 (1985); William Patry ‘Copyright in Compilation of Facts (or Why the “White Pages” Are Not Copyrightable) (1990) 12(4) Com. & Law 37, 64.

³⁸⁷ *Feist Publications* (n 4).

³⁸⁸ *Feist Publications* (n 4) page [347]; *Nimmer on Copyright*, Vol 1, para 2.11[A] (issue 68-12/05 Pub. 465).

³⁸⁹ *Ibid*, This impediment would be against the policy of freeing up of information, as they are building blocks for future production and the “same is true of all facts -- scientific, historical, biographical, and news of the day” (*Feist Publications* (n 4) page [348]. Similarly in *Miller* (n 385) page [1369] the court said that these information “... may not be copyrighted and are part of the public domain available to every person.” There is a totally different view point concerning originality and about the decision in *Feist*. According to that view, originality is a redundant criterion to provide property rights and ultimately such threshold distorts market and affects production, Mark Sherwood-Edwards, ‘The Redundancy of Originality’ (1995) 6(3) Ent L R 94; This proposition is questionable, since even after the decision in *Feist* the US market grew considerably.

³⁹⁰ Justin Hughes, ‘Created Facts and the flawed ontology of Copyright Law’ (2007-2008) 3(1) Notre Dame L Rev 43, 45.

Equifax example. Equifax charges subscription fees from the users.³⁹¹ For the furtherance of the database comprising of user records, Equifax collects and gathers financial information from Banks and other financial institutions.³⁹²

This method hardly makes them creator of data, and they are only engaged in collecting facts. As per *Feist* decision, they have only discovered facts and hence there can be no authorship attributed to Equifax.³⁹³ In reality, data concerning personal information is officially 'created' once. A person's registration with the birth office is the first step when his name is officially entered in the list of names and further on is added with the corresponding address (with the Council) of his residence.³⁹⁴ In course of time, the address may change but the Council updates data every time. This data remains in the public domain depending on the choice of the person.³⁹⁵ Organizations are merely engaged in collecting or gathering of information. In short, they never create the data. Any additional information added by the organizations after the collection may apparently seem as creation of data. In reality, these creations of individual data may fall short of the originality standard comprising of selection or arrangement.³⁹⁶ For example, in case of Banks, the additional information created by them is account number and banking transactions. While these data may be creation in the course of financial transactions, they

³⁹¹ Equifax, available at <http://www.equifax.com/home/en_us> (accessed 10 February 2010)

³⁹² Ibid.

³⁹³ *Feist Publications* (n 4) Page [347].

³⁹⁴ This is a standard procedure in the United Kingdom.

³⁹⁵ This is similar to the situation of a telephone directory where an individual has the option to opt out from his name appearing in the Directory, *Infra* chapter V, section 3.2.1.

³⁹⁶ *Feist Publications* (n 4) page [347].

are unlikely to be original in copyright sense. Moreover, if there is acknowledgement of creativity in these data then there may be problem of accessibility at a later stage.³⁹⁷

Under any circumstances, persons engaged in discovering facts may not be considered as maker or originator of such factual data.³⁹⁸ Thus facts “... do not trigger copyright because [they lack creativity in the absence of a maker or originator, and]...are not ‘original’ in Constitutional sense”.³⁹⁹ Therefore, there can be no copyright protection for facts contained in the telephone directory considered in the *Feist* decision.

As to the second question, the US Supreme Court said that factual compilations might possess requisite originality to merit copyright protection.⁴⁰⁰ The Court had the option of upholding originality through the process of selection or arrangement of contents, or through ‘sweat of the brow’ or industrious collection approach.⁴⁰¹ According to the US Supreme Court, misinterpretation of section 5 of the 1909 Act led to the development of ‘sweat of the brow’ theory, which was corrected by the 1976 Copyright Act.⁴⁰² It has

³⁹⁷ *Supra* (n 389).

³⁹⁸ *Feist Publications* (n 4) page [347]; *Nimmer on Copyright*, Vol 1, para 2.03[E] (issue 79-8/2009 Pub. 465); Denicola (n 359) page [523].

³⁹⁹ *Feist Publications* (n 4) page [347]; *Nimmer on Copyright*, Vol 1, para 2.03[E] (issue 79-8/2009 Pub. 465) page [563].

⁴⁰⁰ *Feist Publications* (n 4) page [348].

⁴⁰¹ Previously in *Baker v Seldon* 101 US 99(1879), the US Supreme Court implicitly rejected the ‘sweat of the brow’ doctrine by denying copyright protection to a book -keeping system. While giving the judgment, the court held that the industrious effort on the part of the claimant is praiseworthy, but under the Law, there is no contemplation of rewarding them for such labour.

⁴⁰² *Feist Publications* (n 4) page [355].

been said that the presence of 'sweat of the brow' was because of unquestioned acceptance of English case precedent in the US Copyright system.⁴⁰³ With the adoption of the 1976 Act, correct picture has been represented and 'sweat of the brow' has little place in the US Copyright Law.⁴⁰⁴

It is evident, however, that the 1976 Act was unable to solve the misconception, since subsequent to the 1976 Act, cases were decided based on the 'sweat of the brow' argument.⁴⁰⁵ Although the 1976 Act said 'originality' and 'authorship' as the keystone of copyrightability, it did not define such terms.⁴⁰⁶ On a similar note, it has been argued that, the adoption of 'sweat of the brow' goes against public policy and the first amendment protection for free speech.⁴⁰⁷ Contrary to the above proposition, there is counter argument relating to the theory that 'sweat of the brow' is against public benefit. The act of permitting use of contents from one compiler to another, removes the incentive for the first compiler to engage in data gathering. Therefore, 'sweat of the brow' doctrine is favoured in protecting computer databases.⁴⁰⁸ Likewise, it has been suggested

⁴⁰³ Patry (n 386) page [66].

⁴⁰⁴ Ibid.

⁴⁰⁵ *Feist* decision is an example in this regard.

⁴⁰⁶ *United Telephone Company of Missouri v. Johnson publishing* 855 F 2d 604 (8th Cir 1988); "The phrase "original works or authorship," which is purposely left undefined[in 1976 Act], is intended to incorporate without change the standard of originality established by the courts under the present[1909] copyright statute.", 'House Report No. 94-1476(US Copyright Act, 1976)' (*US House of Representatives*) available at <<http://uscode.house.gov/uscode-cgi/fastweb.exe?getdoc+uscview+t17t20+5+5++'fair%20use'>> (accessed 15 January 2010); Saunders (n 371) page [766]; Ginsburg (n 166) page [1895].

⁴⁰⁷ Michael J Haungs, 'Copyright of factual compilations: Public policy and the First Amendment' (1990) 23(3) *Colum J L & Soc Probs* 347, 357.

⁴⁰⁸ Jack B Hicks, 'Copyright and computer databases: Is traditional compilation Law adequate?' (1987) 65(5) *Tex L Rev* 993, 1025-1027.

that interpretation of creativity requirement under the 1976 Act is incorrect and goes against the original intention of the framers.⁴⁰⁹

Among the possible options, the US Supreme Court upheld originality requirement through the process of selection or arrangement of contents in a compilation.⁴¹⁰ Further by way of this process of selection or arrangement, a directory consisting of facts could still meet the Constitutional and Statutory requirement of originality.⁴¹¹ In that case the choices made regarding the selection or arrangement of the contents must entail a minimal degree of creativity.⁴¹² Through selection or arrangement, there exists an opportunity to include sufficient amount of creativity, which is different from discovering pre-existing facts.⁴¹³ Therefore, initiation of the selection or arrangement process ensures creativity, and helps a compilation to satisfy originality requirement in terms of US Constitution and copyright law.

The US Supreme Court opined that justifying copyright protection to factual compilations based on the 'sweat of the brow' theory would be faulty. This theory provides copyright protection as a reward for the labour expended in a

⁴⁰⁹ Russ Versteeg, 'Sparks in the Tinderbox: *Feist*, "Creativity", and the legislative history of the 1976 Copyright Act' (1994-1995) 56(3) U Pitt L Rev 549, 557-572. The author highlighted the concern about the high level of creativity requirement in the future copyright decisions. The *Feist* court has already said that the level of creativity should be minimal.

⁴¹⁰ *Feist Publications* (n 4) page [347].

⁴¹¹ *Harper & Row Publishers Inc and the Reader's Digest Association v Nation Enterprises and the Nation Associates, Inc*, 471 US 539 (1985) page [547].

⁴¹² *Nimmer on Copyright*, Vol 1, para 2.11[D] (issue 80-12/2009); Denicola (n 359) page [523].

⁴¹³ *Feist Publications* (n 4) page [347].

factual compilation.⁴¹⁴ Copyright argument based on ‘sweat of the brow’ extends protection beyond selection or arrangement of the contents and would provide protection to facts. The second compiler is “...not entitled to take one word of information previously published”, instead, the second compiler needs to expend independent effort for finding the same information contained in the first factual compilation.⁴¹⁵ This argument is against the fundamental axiom that copyright cannot be extended to facts or ideas.⁴¹⁶ In Constitutional sense, if facts are not protected under copyright, then there is nothing original in a factual compilation except the possible original selection or arrangement of the factual contents.⁴¹⁷ The US Supreme Court, in not considering ‘sweat of the brow’ theory, takes account of the necessary Constitutional requirement of ‘authors’ and ‘writings’.⁴¹⁸

While explaining level of creativity satisfying the requirement of originality, the US Supreme Court said that minimal creativity is sufficient. The case contemplated that a vast majority of factual compilations would be creative enough ‘no matter how crude, humble or obvious’ the creativity might be.⁴¹⁹

Further, the originality standard does not require novelty and a particular work

⁴¹⁴ ‘Sweat of the brow’ in the background of US cases *infra* section 2.

⁴¹⁵ *Feist Publications* (n 4) page [353]; criticizing *Jeweler’s Circular Publishing Co. V. Keystone Publishing Co.* 281 F 83 (CA2 1922); Using “sweat of the brow” theory “...would impede progress by requiring compilers to continually collect raw data anew”, Polivy (n 243) page [800].

⁴¹⁶ *Feist Publications* (n 4) page [353]; *Miller* (n 385) page [1372].

⁴¹⁷ *Feist Publications* (n 4) page [353].

⁴¹⁸ It is beyond the scope of this thesis to assess whether the Supreme Court in *Feist* has rightly referred to the US Constitution. In addition, it will not be analyzed whether the Supreme Court should have limited the originality criterion as a statutory requirement.

⁴¹⁹ *Feist Publications* (n 4) page [345].

might still be original, even if such work closely resembles a different work.⁴²⁰ Copyright protection in a factual compilation, however, is limited to the originality in selection or arrangement, and under any circumstances does not extend to the facts.⁴²¹ Thus, the protection afforded is thin and any subsequent compiler is free to copy the underlying facts except the original, precise selection or arrangement of the first compiler.⁴²² The *Feist* decision provided numerous guidelines that require detailed attention.

1.1 Constitutional Reference as a Preventive Measure

With reference to the Constitutional aspect in *Feist* decision, scholars said that “by grounding its opinion in the copyright clause of the Constitution, rather than in the copyright statute, the Court appeared to foreclose the possibility that Congress would repair damage in *Feist* by amending the copyright law”.⁴²³ Rejection of ‘sweat of the brow’ theory on Constitutional ground was not considered necessary.⁴²⁴ By referring to the US Constitution, the US Supreme Court ensured that enactment of future database legislation based on the ‘sweat of the brow’ principle would not be possible pursuant to the Copyright

⁴²⁰ Ibid.

⁴²¹ Ibid, page [349].

⁴²² *Feist Publications* (n 4) page [347].

⁴²³ Herr (n 147) page [165]; Similarly Litman (n 166).

⁴²⁴ “The *Feist* decision’s dicta regarding Constitutional requirements neither dictates sweeping changes in the current state of copyright law, nor pre-emptively precludes Congressional alteration of the original requirement”, Michael B. Gerdes, ‘Getting Beyond Constitutionally Mandated Originality as a Prerequisite for Federal Copyright Protection’ (1992) 24(4) *Ariz St L J* 1461,1477.

Clause of the US Constitution.⁴²⁵ In other words, future legislation relating to the protection of factual databases must originate outside the ambit of the Copyright Clause. Therefore, reference to the Constitution did not restrict such legislation *per se*.⁴²⁶ It may be argued that by referring to the US Constitution in *Feist*, the US Supreme Court wanted to keep copyright and protection of ‘facts’ separate. The Court used a great sense of foresight and this step was essential to prevent any confusion that may result in deciding the threshold of originality. *Feist* already indicated that confusion existed because of the incorrect interpretation of Section 5 of the 1909 Copyright Act.⁴²⁷ The US Supreme Court in *Feist* followed the Constitutional approach to prevent the enactment of any ‘sweat of the brow’ legislation under the purview of the copyright clause. Therefore, in addition to judging ‘sweat of the brow’ as the wrong basis for protecting factual compilations under copyright, the US Supreme Court protected the legislators from future confusion.⁴²⁸ There may have been other reasons behind the Constitutional reference. Creating a Constitutional barricade may prevent the US Congress from adopting a biased approach in the future.⁴²⁹ Through *Feist*, the Supreme Court ensured freeing up of factual data and left them outside the scope of copyright protection. The decision was

⁴²⁵ Ibid; Herr (n 147) page[165]; Whereas there have been comments to suggest that the US Congress is still competent to use the Copyright clause to decide on the copyrightability of a particular work, Ginsburg (n 244) page [375].

⁴²⁶ It has been suggested that database legislation may be enacted by following the Commerce clause instead of the copyright clause.

⁴²⁷ *Feist Publications* (n 4) page [355].

⁴²⁸ Ibid.

⁴²⁹ Arguing on the possibility of lobbying pressure on the US Congress, Polivy (n 243) page[791]; Similar contention has been raised by Marci A Hamilton, Marci A Hamilton, *Database Protection and the Circuitous Route Around the United States Constitution* in Charles EF Rickett & Graeme W Austin *International Intellectual Property and Common Law World* (Hart Publishing, 2000) 34.

path-breaking in the sense that it foresaw the need for freeing up of information, which formed the building blocks, in the ensuing digital age.⁴³⁰ Thus, on Constitutional ground *Feist* was unique, in terms of a case that took preventive measures.

1.2 Less Stringent Creativity Requirement but Limited Protection

Both constitutionally and statutorily, *Feist* decision contended that a minimal amount of creativity through selection or arrangement of contents makes a factual compilation original.⁴³¹ Although level is minimal, the decision has not explained sufficient level of creativity. The decision of *Feist* has been criticized in the context of originality. It has been argued that *Feist* de-valued authorship component, since in relation to originality, the US Supreme Court said that “a work may be original even though it closely resembles other works, so long as the similarity is fortuitous, not the result of copying”.⁴³² Further, this proposition in *Feist* is contrary to the US Copyright Act, which says that copyright protection is only afforded to original works of authorship.⁴³³ As opposed to such proposition, cases in the post-*Feist* era have been decided based on the assessment of selection, personal discretion, judgement and evaluation.⁴³⁴

⁴³⁰ “The Court thus seems to have envisioned the challenges and technological advances that were to come. The origins of the jurisprudence inherent in *Feist*, therefore, necessarily lie in twentieth century achievements, rather than those of the nineteenth century”. Miriam Bitton, ‘Protection for Informational Works after *Feist Publications, Inc v. Rural Telephone Service Co* (2011) 21(3) Fordham Intell Prop Media & Ent L J 611, 625.

⁴³¹ *Feist Publications* (n 4) pages [363] - [364].

⁴³² *Ibid*, page [345]; Raskind (n 206) page [334].

⁴³³ *Ibid*.

⁴³⁴ *Infra* section 4.

The Supreme Court contemplated that majority of compilations would be able to meet the requirement of creativity set up in the *Feist* decision.⁴³⁵ One has to remember, however, [that] "...Rural expended sufficient effort to make the white pages directory useful, but insufficient creativity to make it original."⁴³⁶ Therefore, even though the level of creativity requirement is not stringent, it should always be higher than the level of creativity expended by Rural. It is obvious that there is only one way of arranging the contents of the directory in question, i.e. alphabetically, and the Supreme Court observed that the selection of Rural "...could not be more obvious".⁴³⁷ Although the creativity standard proposed in the *Feist* decision is not stringent, such standard exists, and a directory will fail the creativity standard, if the act of selection or arrangement of facts is mechanical or a routine process.⁴³⁸ This makes the level of creativity case specific. As long as there is more than one way of selecting or arranging contents, such selection or arrangement should pass the *Feist* grade.⁴³⁹ Alphabetic arrangement in a white pages telephone directory is a purely mechanical process, which is devoid of any creativity. It has been proposed that the "greater number of combination of data, the more likely the selection of any particular combination will be deemed minimally creative".⁴⁴⁰

⁴³⁵ *Feist Publications* (n 4) page [345].

⁴³⁶ *Ibid* page [359].

⁴³⁷ *Feist Publications* (n 4) page [362].

⁴³⁸ *Ibid*.

⁴³⁹ The thesis will observe how the level of creativity has been observed in future American cases concerning databases, *infra* section 4.

⁴⁴⁰ Ginsburg (n 244) page [347]; This has been said in the context of the case decision in *Kregos v Associated Press* 937 F2d 700(2d Cir 1991). The Court calculated 167, 980 possible combinations to choose from when a person compiles a nine category pitching form from a pool of twenty statistical categories. The minimal creativity in this context satisfies the *Feist* criterion.

Further, the US Supreme Court said that originality does not require novelty.⁴⁴¹ Therefore, a compiler may have a selection or arrangement used by previous compilers.⁴⁴² The second compiler, however, should not copy but use independent creativity towards such selection or arrangement. Similarity between two compilations is acceptable as long as such similarity is not an outcome of copying, and is merely fortuitous.⁴⁴³ Thus, standards of creativity are less stringent and most factual compilations should be able to pass the test.⁴⁴⁴ One must, however, consider that even with this creativity requirement, a certain category of factual compilations would remain unprotected under copyright.⁴⁴⁵ This is because selection or arrangement in these factual compilations is obvious and mechanical.

Despite suggesting that creativity standard is not stringent, the US Supreme Court introduced an important caveat in the *Feist* case. Protection of factual compilations is limited to original selection or arrangement because facts remain non-copyrightable.⁴⁴⁶ In other words, facts in a compilation are not protected, and the protection is relatively thin in nature.⁴⁴⁷ With thin protection in place, a subsequent compiler may copy the facts and use them for his

⁴⁴¹ *Feist Publications* (n 4) page [345].

⁴⁴² *Ibid.*

⁴⁴³ *Ibid.*, However, thin protection does not imply that the scope of protection is anorexic. A second compiler may not copy most of the selected categories in a given factual compilation, *Key Publications Inc.v. Chinatown Today Publishing* 945 F 2d 509 (2d Cir. 1991) page [514].

⁴⁴⁴ *Ibid.*

⁴⁴⁵ *Feist Publications* (n 4) page [345].

⁴⁴⁶ *Ibid.*, page [344].

⁴⁴⁷ *Ibid.*, page [349].

compilation, except the precise way of selection or arrangement.⁴⁴⁸ This freedom to copy gives the subsequent compiler an advantage over the original compiler.⁴⁴⁹ Going by the *Feist* decision, it is relatively easy to get copyright protection for factual compilations.⁴⁵⁰ However, such protection is essentially quite limited. One can observe that the US Supreme Court left factual compilations unprotected in two ways. The Court said that a category of factual compilation would not receive protection in the absence of minimal level of creativity. In case a factual compilation is protected under copyright, the scope is limited to the selection or arrangement of contents, and a second compiler is free to use the facts in a competing work.⁴⁵¹ Although factual compilations are not entitled to copyright protection or even entitled to limited protection, they are nonetheless expensive to produce.⁴⁵² In most cases, there would be economic measures undertaken by compilers. Under these circumstances, there was concern that future investment in databases may suffer because of less copyright protection.⁴⁵³

⁴⁴⁸ In this context, apparently Justice O'Connor has accepted 'free-riding' as a policy enshrined in the US Constitution, Ginsburg (n 244) page [349]. Justice O'Connor said in the context of the dissenting comment of Brennan, J in *Harper & Row Publishers* (n 411) page [589] that it may seem unfair when one can use much of compiler's labour without compensation. However, this is "essence of copyright" and "a Constitutional requirement", *Feist Publications* (n 4) page [349]; There is the argument that *Feist* has grossly neglected the incentive role of copyright, Ginsburg (n 244) page [350]; However, there is an issue about the role of copyright in incentivizing production. It relates to the proposition that the creation of work does not possibly depend on the existence of copyright protection, *Supra* chapter I, section 4.

⁴⁴⁹ *Feist Publications* (n 4) page [349].

⁴⁵⁰ *Ibid*, page [358].

⁴⁵¹ *Ibid*, page [349].

⁴⁵² The US Supreme Court identified the effort expended by Rural, *Feist Publications* (n 4) page [364].

⁴⁵³ COM (92) 24 final, para [2.3.3].

2.0. Continuation of Existing Law in US

Before the *Feist* decision, there was certain difference of opinion existing in various circuits concerning the copyrightability of factual compilations.⁴⁵⁴ The conflicting judgements resulted because of the difference in the threshold of originality.⁴⁵⁵ *Feist* thus tried resolving conflicting position among various circuits in the US.⁴⁵⁶ By removing 'sweat of the brow', *Feist* restored uniformity in the standard of originality for copyright protection of compilations.⁴⁵⁷ Nevertheless, "...decision taken in the *Feist* case was not earth shattering from a theoretical perspective".⁴⁵⁸ Ralph Oman, who was the Registrar of Copyrights said that "the Supreme Court [actually] dropped a bomb" in the form of *Feist* decision.⁴⁵⁹ On the other hand "... seemingly genial nature of the [*Feist*] decision" has been observed and the overall decision should not have been an outright shock.⁴⁶⁰ There was further opposition to the idea that *Feist* was a decision that brought about a new law. It was suggested that "after all, it did not establish a new originality paradigm as such, but only ended a long division among federal circuits concerning the protection under copyright of factual

⁴⁵⁴ John Tessensohn, 'The Devil's in the Details: The Quest for Legal Protection of Computer Databases and the Collections of Information Act' (1997-98) 38(3) IDEA Intell Prop L Rev 439, 443; *Feist* case was a review of originality requirement in US, Hasan A Deveci, 'Databases: Is *sui generis* a stronger bet than copyright?' (2004) 12(2) IJLIT 178,187-188.

⁴⁵⁵ Even though there was confusion and disparity, in *Feist* the Supreme Court pointed out that the 1976 US Copyright Act clearly suggests originality must be based on selection or arrangement, Herr (n 147) pages [158]-[159].

⁴⁵⁶ *Feist Publications* (n 4).

⁴⁵⁷ As observed before, prior to *Feist* decision cases decided on the basis of sweat of the brow, had no tenuous link between creativity and originality. A compilation, under the "sweat" theory would be original, if it was not copied and resulted from effort; Herr (n 147) page[162]; Polivy, (n 243) page[782].

⁴⁵⁸ Herr (n 147) page [165].

⁴⁵⁹ Copyright Office and Copyright Royalty Tribunal Report Status to House Panel, 41 Pat. Trademark & Copyright J. (BNA) No. 524 (April 18, 1991) in Herr (n 147) page [166].

⁴⁶⁰ Daniel J Gervais, '*Feist* goes global: A comparative analysis of the notion of originality in copyright law' (2002) 49(4) Journal of Copyright Society of the US 949, 950.

compilations”.⁴⁶¹ Further, “the results of *Feist* are hardly remarkable, although it rejected precedents” practiced in minority of circuits.⁴⁶² Therefore, one needs to observe how far the decision in *Feist* has led to a new-line of jurisprudence.

The use of ‘sweat of the brow’ doctrine relating to copyright protection of factual compilations surfaced in the case of *Jeweler’s Circular Publishing Co. v. Keystone Publishing Co (Jeweler)*.⁴⁶³ This case involving a directory consisting information of trade-marks of jewellery and kindred trades accepted the argument of ‘sweat of the brow’ as a basis for copyright protection. Kay L said that originality should not be a point of concern or a requirement to merit copyright protection, where a person has expended labour, while compiling facts that existed in the public domain.⁴⁶⁴ Therefore, copying of facts would amount to copyright infringement in the absence of independent investment of time.⁴⁶⁵ Subsequent decisions have held that “... original compilations of names and addresses is copyrightable even though individual names and addresses are in public domain and not copyrightable”.⁴⁶⁶ Following the *Jeweler* case, the ninth circuit also considered ‘sweat of the brow’ in *Leon et.al v. Pacific Telephone & Telegraph Company (Leon)*.⁴⁶⁷ The defendant Leon rearranged

⁴⁶¹ Herr (n 147) page [166].

⁴⁶² David O Carson, ‘Copyright protection for factual compilations after *Feist*: A practitioner’s view’ (1992) 17(3) U Dayton L Rev 969, 971.

⁴⁶³ 281 F 83 (CA2 1922); The theory of ‘sweat of the brow’ in US traces back to old English precedent and the theories modern expression lies in the *Jeweler* case, Haungs (n 407) page [351].

⁴⁶⁴ *Jeweler’s Circular Publishing* (n 463) page [88].

⁴⁶⁵ *Orgel v. Clark Boardman Co.*, 301 F 2d 119 (1962); Robert A Gorman has said ‘sweat of the brow’ as equivalent to “original fact gathering”- meaning, the issue of independent requirement of labour, Robert A Gorman, ‘Copyright protection for the collection and representation of facts’(1963) 76(8) Harv L Rev 1569, 1584.

⁴⁶⁶ *Charles E. Schroeder and Marion S. Schroeder v. William Morrow and Company and George Banta & Co* 566 F 2d 3 (7th Cir 1977) para [6].

⁴⁶⁷ 91 F 2d 484 (1937).

the contents of a numerical directory and published the same. It was held that he has infringed copyright in an alphabetical telephone directory containing name, address and telephone number, since there was no independent effort on his part.⁴⁶⁸ *Jeweler* and *Leon* were considered as precedents in subsequent cases where ‘sweat of the brow’ argument was held valid.⁴⁶⁹

If the above cases were decided based on ‘sweat of the brow’ argument, there were other circuits that considered creativity towards selection or arrangement as a requirement to merit copyright protection. It is appropriate to consider the US Supreme Court decision in *Harper & Row Publishers Inc. and the Reader’s Digest Association v. Nation Enterprises and the Nation Associates, Inc. (Harper)*, which was later referred in the *Feist* decision.⁴⁷⁰ This case involved copyright infringement of the memoirs of President Ford. Other than the original expression, the memoirs contained historical facts and memoranda during the reign of the president. The Court held that verbatim use of 300 words by the defendant constituted copyright infringement by virtue of the original “...selective description and portrait of public figure” in the memoirs.⁴⁷¹ There is no protection for facts in the work⁴⁷² unless it bears “...stamp of author’s originality.”⁴⁷³ Further, facts or ideas as such are not copyrightable, since there

⁴⁶⁸ Ibid.

⁴⁶⁹ *Charles E. Schroeder* (n 466); *Illinois Bell v. Haines and Company* 905 F 2d 1081 (7th Cir 1990) page [1086].

⁴⁷⁰ 471 U.S. 539 (1985); The Supreme Court in this case did say that compilations of pure facts may be copyrightable but did not say anything further about how such test should be developed, *Harper and Row Publishers* (n 411) page [547].

⁴⁷¹ Ibid.

⁴⁷² Ibid.

⁴⁷³ Ibid.

is a "...greater need to disseminate factual works than works of fiction or fantasy".⁴⁷⁴ In similar judgements the originality argument based on selection or arrangement of the contents was present.⁴⁷⁵ For instance, in the second circuit decision of *Dennis W. Eckes and James Beckett v. Card Prices Update and Suffolk Collectables (Dennis W. Eckes)* the issue of selective judgement was in relation to the selection of 5000 premium cards from a guidebook consisting of 18,000 baseball cards.⁴⁷⁶ The Court rejected the 'sweat of the brow' argument and held that the plaintiff has "...exercised selection, creativity and judgement' by determining the premium list".⁴⁷⁷ Likewise, the 11th circuit in *Southern Bell Telephone v. Associated Telephone*⁴⁷⁸ dealt with the question of copyright infringement in the act of copying individual listing and advertisements off a yellow pages directory. The directory in question displayed the logo of 'walking fingers' and there was additional reference to the term 'yellow pages'.

According to the 11th circuit, although facts are not copyrightable, a compilation consisting of facts may merit copyright protection due to original selection or arrangement of the factual contents.⁴⁷⁹ There was sufficient creativity "...in preparing artwork and layout, and in the selection, compilation and

⁴⁷⁴ Ibid; This has been previously said by Robert A Gorman, He said, "our law, as reflected in the terms of our copyright statutes and the language of our courts, emphasizes the greater need to disseminate the contents of fact works in contrast to the contents of works of artistic or literary fancy", Gorman (n 322)page[561].

⁴⁷⁵ *Harper House, Inc. v. Thomas Nelson, Inc* 889 F 2d 197(9th Cir 1989); *Dow Jones & Company Inc. v. Board of Trade of the City of Chicago* 539 FSupp 190(1982); *Dennis W. Eckes and James Beckett v. Card Prices Update and Suffolk Collectables* 736 F 2d 859 (2d Cir 1984) page [863]; *Southern Bell Telephone v. Associated Telephone* 756 F 2d 801 (11th Cir. 1985) page [809]; *Fred L. Worth v. Selchow & Righter Company* 827 F2d 569 (9th Cir 1987).

⁴⁷⁶ *Dennis W Eckes* (n 475) page [863].

⁴⁷⁷ Ibid.

⁴⁷⁸ *Southern Bell Telephone* (n 475) page [809].

⁴⁷⁹ Ibid.

arrangement of the information contained therein”.⁴⁸⁰ The ninth circuit similarly in *Fred L. Worth v. Selchow & Righter Company (Fred L. Worth)* decided on copyrightability of a book consisting of alphabetic arrangement of facts. Similar to other judgements, the Court held that facts or ideas could not be original work. There was no infringement, since the defendant did not copy the exact arrangement of the claimant’s book. To prove infringement in a factual work, there must be evidence of bodily appropriation of the original expression.⁴⁸¹ Thus, factual compilation receives limited protection.⁴⁸² The aforementioned cases need further analysis to understand the uniqueness and principles associated with the *Feist* decision.

2.1. Previous US Cases Reflected Same Principles

Feist said that both constitutionally and statutorily, a minimal amount of creativity makes factual compilations original under copyright.⁴⁸³ The level of creativity required to make a particular work original is not stringent and need not be novel.⁴⁸⁴ Although the level of creativity requirement is not stringent, protection is essentially thin for factual compilations. Copyright protection is

⁴⁸⁰ Ibid.

⁴⁸¹ *Fred L. Worth* (n 475).

⁴⁸² Similarly in the case of *Harper House* (n 475) the Court of Appeal said that organizer/compilation with mostly un-copyrightable facts, should be provided with extremely limited protection; Thomas P Arden, *The conflicting treatments of compilations of facts under the United States and United Kingdom copyright laws* (1992) 3(2) Ent L Rev 43.

⁴⁸³ *Feist Publications* (n 4) page [362].

⁴⁸⁴ Having this criterion in the background, the second circuit decision in *Kregos v Associated Press* 937 F.2d 700 (2d Cir. 1991) raised the fear of asking for novelty on top of novelty, Ginsburg (n 244) page [348].

towards selection or arrangement, and does not under any circumstances extend to facts.⁴⁸⁵

There are comparable cases prior to *Feist* that indicate the aforementioned principles. The US Supreme Court in the *Harper* case held that a second compiler can copy facts freely as long as he can separate such facts from the original expression.⁴⁸⁶ Thus, in a compilation comprising of work and factual information, copyright protection is limited to the creative expression of author. Even the scope of protection decided in *Feist*, i.e. thin copyright protection for factual compilations, is present in the *Fred L Worth* and *Harper* cases. For instance, the *Fred L Worth* case upheld thin protection by stating that copyright infringement in a factual compilation is possible only in case of bodily appropriation of the original expression.⁴⁸⁷ Therefore, the second compiler may extract factual information from the first compilation except the original expression of the author. In other words, the second compilation may be very similar to the first one but should not be the same. This implies that creativity requirement for the second compiler is not stringent, which is in accordance with *Feist* decision.⁴⁸⁸ One can also observe the modicum of creativity requirement based on selection or arrangement. For instance, in *Southern Bell*,

⁴⁸⁵ *Ibid*, page [349].

⁴⁸⁶ *Harper and Row Publishers* (n 411) page [547].

⁴⁸⁷ *Fred L. Worth* (n 475).

⁴⁸⁸ *Feist Publications* (n 4) page [362].

there was sufficient creativity in the layout of yellow pages directory.⁴⁸⁹ Such threshold signifies minimal level of creativity, which was later re-iterated in *Feist* decision. The decision in *Southern Bell* indicates that even if creativity is 'humble', such creativity may be sufficient for the purpose of copyright protection.⁴⁹⁰ Thus, creativity threshold in prior cases suggests that majority of the compilations would come under the purview of copyright protection. The proposition that majority of compilations may receive copyright protection was later affirmed in the *Feist* decision.⁴⁹¹

2.2. 'Selection or Arrangement' Criterion not Unique

All of the above outlined cases have notably answered two questions: compilation as a subject matter under copyright, and the required originality threshold in factual compilations.⁴⁹² The first question did not create any confusion, since compilations do receive copyright protection in the US. For instance, the 1909 Copyright Act has explicitly included compilations as a subject matter under copyright law.⁴⁹³ In comparison to the first question, the second question relating to threshold for factual compilations was complex and there exists a clear division in all of the aforementioned cases. Courts relying on 'sweat of the brow' doctrine have primarily based their decisions on the 1909 Act.⁴⁹⁴ As far as the interpretation of 1909 Act is concerned, the courts held that

⁴⁸⁹ *Southern Bell Telephone* (n 475) page [809].

⁴⁹⁰ It has walking fingers logo and the reference of the term yellow pages *Southern Bell Telephone* (n 475)

⁴⁹¹ *Feist Publications* (n 4) page [345].

⁴⁹² *Supra* section 2.1.

⁴⁹³ Section 5, 1909 US Copyright Act.

⁴⁹⁴ For example *Jeweler's Circular Publishing* (n 463) and *Leon* (n 467).

an independently created compilation should suffice the originality threshold for copyright protection.⁴⁹⁵ From the *Jeweler* and *Leon* case one can observe that originality means and requires that a work must not be copied, and that independent effort is present when the compiler engages in the collection of factual information from the public domain.⁴⁹⁶ Thus, if compilations were not copied, courts following ‘sweat of the brow’ argument justified that those compilations could certainly be protected under copyright.⁴⁹⁷

On the other hand, courts denying ‘sweat of the brow’ argument decided originality in factual compilations based on selection or arrangement criterion. Their argument was based on the 1976 Copyright Act, which explicitly states that copyright protects only the “...original works of authorship”.⁴⁹⁸ It means that a particular work is original if its origin can be traced back to an author.⁴⁹⁹ Facts, under no circumstances, can originate from an author and are thus, non-copyrightable in nature.⁵⁰⁰ Further, the basis of protection depends on material contribution originating from the expression of the author.⁵⁰¹ As facts remain unprotected, the protected aspect is the original expression in a factual

⁴⁹⁵ Ibid.

⁴⁹⁶ *Jeweler’s Circular Publishing* (n 463), page [88]; 91 F 2d 484 (1937).

⁴⁹⁷ Further evidence shows that after the passage of the 1976 US Copyright Act, telephone companies chose to claim copyright protection in directories in a more hospitable jurisdiction. This is said in the context that 1976 Act brought about the correct form of originality instead of the application of ‘sweat of the brow’ theory, Shira Perlmutter, ‘The Scope of Copyright in Telephone Directories: Keeping Listing Information in the Public Domain’ (1991) 38(1) *Journal of the Copyright Society* 1, 1-4.

⁴⁹⁸ §102 Copyright Act, 1976.

⁴⁹⁹ *Feist Publications* (n 4) page [347].

⁵⁰⁰ Ibid.

⁵⁰¹ Unlike the ‘sweat of the brow’ decisions they identified expression as a sign of existing originality.

compilation relates to factual data in the compilation.⁵⁰² After the passage of the 1976 Copyright Act, some of the circuits have stated that the concept of originality has not changed. They argued that this Act primarily followed the previous Copyright Act of 1909 and therefore, the rationale of 'sweat of the brow' continues to exist in the US Copyright Law.⁵⁰³ Copyright protection may be granted to original work of authorship in a particular compilation but previous decisions based on 'sweat of the brow' justified copyright protection to information existing in the public domain.⁵⁰⁴ The aforementioned decisions indicate a fair share of cases that were decided based on 'sweat of the brow' argument, alongside the application of the selection or arrangement criterion.

Cases based on 'sweat of the brow', however, have been limited to four circuit courts.⁵⁰⁵ Therefore, majority of circuit courts have adhered to selection or arrangement criterion before offering copyright protection to factual compilations.⁵⁰⁶ Moreover, circuit courts involved in judgements following the 'sweat of the brow' argument have reasoned selection or arrangement

⁵⁰² *Feist Publications* (n 4) page [347].

⁵⁰³ *Hutchison Telephone Directory v. Fronteer Directory Company* 770 F 2d 128 (8th Cir 1985) page [131]; *Rand McNally & Company v. Fleet Management Systems Inc.* 591 F Supp 726 (ND Ill 1983) page [737] on the basis of *Charles E. Schroeder* (n 466).

⁵⁰⁴ *Ibid*

⁵⁰⁵ The circuit courts have been 2nd, 7th, 8th and 9th. In the rush to offer incentives in the directory cases, the courts have foregone the concepts of ideas, facts and information, Shira Perlmutter, (n 497) pages [1]-[3].

⁵⁰⁶ *Polivy* (n 243) pages [780]-[781].

requirement in later decisions.⁵⁰⁷ For instance, the second and ninth circuit decisions in *Dennis W. Eckes* and *Fred L. Worth*.⁵⁰⁸

Although the guidelines given in *Feist* had always existed in the US, it is undeniable that the alternative option of ‘sweat of the brow’ existed in the minds of scholars, commentators and limited circuit courts.⁵⁰⁹ There are contradictory opinions as to the uniqueness associated with *Feist* decision. In the opinion of Paul Goldstein, in case of *Feist* few had expected the reasoning, although most expected the result. “It came as a surprise for us who had thought that, outside the narrow field of photographs and art reproductions, originality meant only that the copyright claimant had not copied from another source”.⁵¹⁰ He further added that “apart from scattered dicta, this is pretty much new law”.⁵¹¹ In similar terms, Marci A Hamilton said that the decision in *Feist* was not surprising, but interesting because of the way it has been expressed by Justice O’Connor. Hamilton said repeated reference to the Constitutional requirement of originality was unnecessary, as the same outcome would have resulted by following the statutory provisions. Further, she argued there was little need to decimate the age old historical background of ‘sweat of the brow’ theory, and the case could have been decided easily by referring telephone directory comprising of white

⁵⁰⁷ In case of exhaustive selections, copyright “...somewhat uncomfortably used to protect the underlying effort, time and expense (‘sweat of the brow’) rather than fanciful expression that it typically protects”, Gorman (n 322) page [571].

⁵⁰⁸ *Dennis W Eckes* (n 475) page [863] & *Fred L. Worth* (n 475).

⁵⁰⁹ *Ibid*.

⁵¹⁰ Paul Goldstein, ‘Copyright’ (1990-91) 38(3) *Journal of the Copyright Society* 109, 118-119.

⁵¹¹ *Ibid*, 118-119.

pages as not copyrightable.⁵¹² From both the opinion of Hamilton and Goldstein one must conclude that the decision was not surprising. This shows that the guidelines set by *Feist* was not unique or unprecedented, although in the opinion of the scholars Constitutional approach was surprising.

Similar to Hamilton, Jennifer Dowd said that the US Supreme Court could have reached to the same conclusion without entirely dislodging ‘sweat of the brow’ theory.⁵¹³ This is because the theory existed in the US Copyright Law for a long time and there was a historical background to such existence. The US Supreme Court could have said that “*Feist* did not borrow anything other than un-copyrightable facts”.⁵¹⁴ Hence, such action on the part of *Feist* was not actionable.⁵¹⁵ This proposition is difficult to apply, since it is based on ‘sweat of the brow’ argument; *Feist* did not expend labour in the collection of facts.⁵¹⁶ According to the ‘sweat of the brow’, the same facts may be collected after expending similar effort as the previous compiler.⁵¹⁷ Posing a different argument, William Patry said that the US Supreme Court should give careful consideration to the 1976 US Copyright Act, which clearly dislodges ‘sweat of the brow’, and not the decades of bad law and commentary. The “apparent use

⁵¹² Marci A Hamilton, ‘Justice O’Connor’s opinion in *Feist Publications Inc v. Rural Telephone Service Co: An Uncommon Though Characteristic Approach*’ (1990-91) 38(2) *Journal of the Copyright Society* 83, 86-89.

⁵¹³ Dowd (n 372) pages [154]-[156] and 157.

⁵¹⁴ *Ibid.*

⁵¹⁵ *Ibid.*

⁵¹⁶ *Feist Publications* (n 4)

⁵¹⁷ *Jeweler’s Circular Publishing* (n 463) pages [88] - [89].

of claims of copyright in the white pages not to vindicate intellectual property rights, but rather to eliminate competition for yellow pages advertisers”.⁵¹⁸

The abovementioned arguments and counter arguments did not reflect a sense of surprise with the results of *Feist*, and makes it clear that the criterion based on originality existed prior to *Feist*. The US Supreme Court only confirmed such presence, since *Feist* clarified the already existing correct option.⁵¹⁹ Therefore, it would be incorrect to interpret the argument in *Feist* as a new-line of jurisprudence in the field of copyright law.⁵²⁰ The unanimous decision of Supreme Court in *Feist* was not something unique and unprecedented.

Dependence on the ‘sweat of the brow’ theory was beginning to fade away in the context of factual compilations.⁵²¹ This signifies the presence and application of the theory to a certain extent. Such dependence, however, started to phase out owing to the correct interpretation of the existing law.⁵²² Long before *Feist* and starting around the 1980’s, there was enough indication to suggest that selection or arrangement in factual compilation is the only way to merit copyright protection.⁵²³ Thus, *Feist* did not provide guidelines that were new.

⁵¹⁸ Patry (n 386) page [37] and [40].

⁵¹⁹ *Feist Publications* (n 4).

⁵²⁰ This was the argument posed in the first draft proposal, (COM (92) 24 final), para [2.3.3].

⁵²¹ *Supra* section 2.

⁵²² *Feist Publications* (n 4).

⁵²³ *Dennis W Eckes* (n 475) page [863] & *Fred L. Worth* (n 475).

3.0. No Major Challenges in Copyright Registration of Compilations

The registration requirements for copyright protection of factual compilations will give an indication of the prevailing situation before and after the *Feist* decision. In this context, the practice at the US Copyright Office has been considered.⁵²⁴ Although the registration of a copyrighted work is voluntary, compulsory registration is required to initiate a lawsuit concerning infringement of a US copyrighted work.⁵²⁵

The US Copyright Office published a report in 1997 that considered the requirement of database legislation in US.⁵²⁶ The report observed the practice concerning the registration of factual compilations and the effect that *Feist* had on the registration process. In the pre-*Feist* era, before registration under copyright, the Copyright Office permanently required a compilation to meet the originality threshold.⁵²⁷ ‘Sweat of the brow’ was used as an argument for registering compilations until 1980s, but “...beginning in 1987, the office began to question copyrightability of works where ‘sweat of the brow’ was the only basis for registration”.⁵²⁸ By 1989, the Copyright Office stopped entertaining ‘sweat of the brow’ argument for all compilations except for telephone

⁵²⁴ “...Registration is a legal formality intended to make a public record of the basic facts of a particular copyright”, ‘US Copyright Office’, available at <<http://www.copyright.gov/circs/circ1.pdf>> (accessed 10 Jan 2011).

⁵²⁵ ‘US Copyright Office’ available at <<http://www.copyright.gov/help/faq/faq-general.html#automatic>> (accessed 10 Jan 2011).

⁵²⁶ ‘US Copyright Office: Report on Legal Protection for Databases: August 1997’ available at <<http://www.copyright.gov/reports/dbase.html>> (accessed 10 Jan 2011). (‘US Copyright Office: Report on Legal Protection for Databases: August 1997’).

⁵²⁷ Ibid.

⁵²⁸ Ibid.

directories.⁵²⁹ As a result, the Copyright Office issued guidelines and compilations failed copyright registration, if they did not “...represent a modicum of selection and/or arrangement authorship”.⁵³⁰

The report said that, “...*Feist* decision did not have a major impact on the Copyright Office’s registration process for compilations”.⁵³¹ *Feist* actually clarified and provided a clear representation that henceforth, there will be no copyright protection for factual compilations based on ‘sweat of the brow’ argument.⁵³² The Copyright Office held that even after *Feist*, most compilations would remain protected.⁵³³ Only telephone directories, which were somewhat protected under the ‘sweat of the brow’ argument, would be strictly scrutinized under the *Feist* criteria.⁵³⁴ There is an indication that *Feist* had little influence in the registration process.

3.1. Registration Process Did not Change Appreciably

The report did not show appreciable concern with the *Feist* decision. This position of the US Copyright Office is clear from the above narration. Even before *Feist*, most of the compilations would fail to satisfy the registration requirement if they had only relied on ‘sweat of the brow’ argument.⁵³⁵ On the contrary, compilations must show originality based on modicum of creativity

⁵²⁹ Ibid.

⁵³⁰ Ibid.

⁵³¹ Ibid.

⁵³² Ibid.

⁵³³ US Copyright Office: Report on Legal Protection for Databases: August 1997 (n 526).

⁵³⁴ Ibid.

⁵³⁵ Ibid.

towards selection or arrangement of the contents.⁵³⁶ The aforementioned propositions were exactly represented in the *Feist* decision and even in cases decided before *Feist*.⁵³⁷ The decision of *Feist* did not cause for any substantial change in the registration process due to the existing measures followed by the US Copyright Office. Almost a decade before *Feist*, there was clear indication that selection or arrangement is the decisive factor for registration under copyright.⁵³⁸ The acceptable threshold for copyright protection of a factual compilation reflects understanding of the law that prevailed in the 1980's.⁵³⁹ Therefore, there was little doubt with the existing copyright law in the US in matter concerning copyrightability of factual compilations.

3.2. Minimum Alteration for a Narrow Category of Compilations

Before the *Feist* decision, the Copyright Office registered a narrow structure of factual compilation based on the 'sweat of the brow' argument. These registrations were limited to telephone directories.⁵⁴⁰ In case of these directories, the *Feist* decision provided decisive direction for the US Copyright Office.⁵⁴¹ Among all factual compilations, the only doubt that existed with telephone directories was because of conflicting judgements in different circuit courts.⁵⁴² However, despite the persisting doubt, the Copyright Office considered registration not only on the basis of 'sweat of the brow' argument,

⁵³⁶ *Feist Publications* (n 4).

⁵³⁷ *Supra* section 2.

⁵³⁸ *Ibid*.

⁵³⁹ *Supra* section 2.

⁵⁴⁰ 'US Copyright Office: Report on Legal Protection for Databases: August 1997' (n 526).

⁵⁴¹ *Feist Publications* (n 4).

⁵⁴² *Supra* (n 505) and section 2.

but also on selection or arrangement criterion.⁵⁴³ No immediate preference was given to ‘sweat of the brow’ argument over selection or arrangement of contents. This practice of the US Copyright Office shows, and also proves that *Feist* only provided some stability in the narrow range of telephone directories, and largely reinstated the aspects already known for the purpose of registration under copyright. Even after *Feist*, the Copyright Office expressed little doubt that most compilations would receive copyright protection. Therefore, in effect the Copyright Office agreed with the US Supreme Court in *Feist*. The US Copyright Office followed the existing copyright law, which was re-iterated in *Feist*.

4.0. Future US Cases Followed Feist

This section observes the arguments in cases decided after *Feist*. Inconsistencies at the stage of applying the principles of *Feist* decision may create uncertainty for producers and deter further investment towards database.

In the fifth circuit decision of *Hodge E Mason v. Montgomery Data Inc. (Mason)*, copyright protection subsisted in the compilations of maps.⁵⁴⁴ *Mason* started working on Real Estate Ownership maps from 1967, and collected materials available in public domain. These maps pictorially defined size and other features of land within the Montgomery County, United States. *Mason* had to

⁵⁴³ ‘US Copyright Office: Report on Legal Protection for Databases: August 1997’ (n 526).

⁵⁴⁴ *Hodge E Mason v Montgomery Data Inc* 967 F2d 135(5th Cir 1992).

overcome inconsistencies at various stages of compilation, which existed in the sources. He claimed to have used substantial amount of judgement and discretion to select features that were published in final version of the maps. *Mason* also alleged that the defendant had infringed the copyright in maps describing Geographical Indexing System. The fifth circuit upheld infringement of copyright, since the map was creative enough to meet the *Feist* requirement of originality.⁵⁴⁵ Further, the fifth circuit held that the District Court erred in applying the Doctrine of Merger. This doctrine is applicable in the event of an idea and its expression, which are inseparable and there will be no copyright protection for the work in question. Before applying such doctrine, the District Court must “focus on whether the idea is capable of various modes of expression”.⁵⁴⁶ Therefore, the first task is to identify the idea that the work expresses followed by separation of the idea from expression of the author. By comparing maps created by *Mason* and his competitors, the Court concluded that the map in question could be expressed in various ways.⁵⁴⁷ Although *Mason* and his competitors used the same idea, they used different parameters in relation to placement, size and dimensions of numerous surveys, tracts, and other features. Evidence from other licensed surveyors also indicated that the difference between the map of *Mason* and other mapmakers existed because of “selection of sources, interpretation of those sources, and discretion in reconciling inconsistencies among the sources; and skill and judgement in

⁵⁴⁵ *Hodge E Mason* (n 544) page [139].

⁵⁴⁶ *Ibid.*

⁵⁴⁷ *Ibid.*

depicting the information”.⁵⁴⁸ In the process of such selection, skill and judgement of the mapmaker (*Mason*) is involved. The Court also settled a contentious issue that maps must seek to depict information accurately. This means that there are no two ways of describing a map. The Court held that “conflicts among the sources and limitations inherent in the process of representing reality in pictorial map form required [Mason] to make choices that resulted in independent expression”.⁵⁴⁹ By extending copyright protection, there is no question of granting monopoly to Mason because other mapmakers can express the same idea in a different way.⁵⁵⁰ This means that the extent of accuracy depends on how the sources are interpreted and inconsistencies are removed.

According to few commentators, this case reflects the inconsistencies that are present in the application of *Feist* decision.⁵⁵¹ It has been argued that acceptance of ‘sweat of the brow’ theory is disguised in the creation of maps. “Holding ...creativity in constructing maps arose from verifying pre-existing maps generated by the U.S. Geological Survey” amounts to an industrious effort that *Feist* case discarded.⁵⁵² In the context, commentators have compared this case with the fourth circuit’s decision in *United States Payphone, Inc. v. Execs. Unlimited, Inc.*⁵⁵³ In the *Payphone* case, the Court accepted that

⁵⁴⁸ *Ibid*, page [140].

⁵⁴⁹ *Ibid*.

⁵⁵⁰ *Ibid*.

⁵⁵¹ Application of *Feist* decision, Tracy L Meade, ‘Ex-post *Feist*: Applications of a landmark Copyright decision’ 2(1) J Intell Prop L 245 (1994-1995).

⁵⁵² *Ibid*.

⁵⁵³ 18 USPQ 2d 2049 (4th Cir 1991).

the guide produced as a “... result of hundreds of hours of reviewing, analyzing, and interpreting state tariffs and regulations of the fifty states and the District of Columbia” would come under copyright.⁵⁵⁴ Similar inconsistencies are observed in *Publication International Ltd v Meredith Corp* decided by the seventh circuit where there was an overlap between *Feist* and ‘sweat of the brow’ argument. The Court said that, “a compilation’s originality flows from the efforts of industrious collection by its author”.⁵⁵⁵

In *Key Publications, Inc. v. Chinatown Today Publishing (Key Publications)*, the copyright ability of a Chinese yellow pages directory was discussed.⁵⁵⁶ The directory listed business in accordance with the requirement of the Chinese community. At the time of designing the directory, *Key Publications* left out businesses which, in their opinion, would not continue for long. The second circuit in this case held that the act of selection and individual judgement constitutes sufficient creativity that led to the formation of the directory. This was original enough to merit copyright protection. Selection meant “exercise of judgement in choosing, which facts from a given body of data to include in a

⁵⁵⁴ *United States Payphone* (n 553) page [2050].

⁵⁵⁵ 88F 3d 473 (7th Cir 1996) 480.

⁵⁵⁶ 945 F2d 509 (2d Cir 1991); There was similar conclusion in the case of *Nester’s Map & Guide Corp v. Hagstorm Map Co.* 796 F Supp 729 (EDNY) 1992. This case involved a taxi-driver guide in New York City, where the claimant Nester listed the cross streets, which were useful and most important. Moreover, he assigned approximate street address numbers to the cross streets and avoided the actual street numbers. The selection was based on his knowledge and experience. In this case, the court held that there was sufficient originality in the selection mechanism; similarly, in a case concerning compilations of nouns in *Lipton v Nature Co* 71 F 3D 464(2d Cir 1995), the court upheld the creativity and informed judgment of the claimant, Lipton. In this case, there was selection from numerous variations of fifteenth century text and manuscripts. Furthermore, the claimant translated the words from Middle English to modern English.

compilation”⁵⁵⁷. After examining the originality in selection, the Court considered the arrangement followed in the directory.⁵⁵⁸ Although similar classified directories have used some of the categories used by the directory in question, remaining categories are not common and they are of special interest to the Chinese-American community. The categories, moreover, were irrelevant for the purpose of the decision. Even the arrangement followed was original and not purely mechanical.⁵⁵⁹ There was sufficient creativity “...in deciding which categories to include and under what name”.⁵⁶⁰

Again, in *CCC Information Services Inc. v. Maclean Hunter Market Reports Inc. (Maclean)*, the Red Book of Maclean consisting of prices of used cars was held copyrightable.⁵⁶¹ Maclean was involved in publication of a red book that included valuations of used cars. The valuation decisions did not depend on historical market prices, quotations, averages; neither did they originate from mathematical formulae or statistics. On the contrary, editors of Maclean predicted these valuations based on their professional expertise and various other informational sources. The alleged infringement was against the defendant who was also engaged in the business of providing information

⁵⁵⁷ *Key Publications* (n 556) page [513].

⁵⁵⁸ The 2nd circuit said arrangement “refers to the ordering or grouping of data into lists or categories that go beyond the mere mechanical grouping of data as such, for example, the alphabetical, chronological, or sequential listings of data” *Ibid*.

⁵⁵⁹ *Ibid*.

⁵⁶⁰ *Key Publications* (n 556).

⁵⁶¹ 44 F 3d 61 (2d Cir 1994).

about used cars. The Court held that the compilation of Maclean indicated enough creativity in selection or arrangement to meet the Feist standard.⁵⁶²

The 11th circuit decision in *BellSouth* case involved the question of copyrightability of a yellow pages directory.⁵⁶³ Bellsouth considered geographic area to determine the scope of yellow pages. The directory maintained a closing date for any changes that were required in the listing. Based on the *Feist* judgement the Court held that selection or arrangement including geographic area and closing date are excluded from copyright protection.⁵⁶⁴ Moreover, it is usual for a factual compilation to follow a closing date and geographic area for a yellow pages directory. The claimant also adopted marketing techniques to generate listings in the directory. In the opinion of the Court, these selective mechanisms do not constitute sufficient originality to attract copyright protection. They were not an act of authorship, but “merely techniques to discover facts”.⁵⁶⁵ As a result, there was no copyright protection for the directory in question.

A second circuit decision in *Victor Lalli Enterprises Inc. v. Big Red Apple Inc.* (*Victor Lalli*) questioned copyrightability of horseracing information charts.⁵⁶⁶

The claimant was engaged in producing gambling charts. All other publishers,

⁵⁶² Ibid, page [67].

⁵⁶³ *BellSouth Advertising & Publication Corp v Donnelley Information Publishing Inc.* 999 F2d 1436 (11th Cir 1993).

⁵⁶⁴ Ibid, page [1441].

⁵⁶⁵ Ibid.

⁵⁶⁶ 936 F 2d 671 (2nd Cir 1991).

including the defendant, used the same grid of rows and columns that provided past results and lucky numbers for a particular race. The Court held that the claimant arranged factual information in a purely functional grid where there was no opportunity to show required amount of creativity to satisfy the *Feist* condition.⁵⁶⁷

The decision of the 11th circuit in *Warren Publications, Inc v. Microdos Data Corp (Warren Publishing)* involved a directory of cable systems.⁵⁶⁸ Warren Publishing published an annual cable directory throughout US. They alleged copyright infringement in connection to one of these volumes of cable and information services. Microdos, on the other hand, marketed compilation of facts relating to cable systems in computer software format. Warren Publishing claimed copyright protection in the selection or arrangement of the aforementioned volume. As a part of the arrangement mechanism, Warren Publication listed the relevant information under the heading of 'principal community'.⁵⁶⁹ To avoid duplication they cross-referenced the 'principal community' heading with the headings under other communities.

At the preliminary stage, the District Court found enough creativity to satisfy the requirement of *Feist*, although the 11th circuit reversed such judgement.⁵⁷⁰ The

⁵⁶⁷ *Victor Lalli* (n 566) page [673].

⁵⁶⁸ 'Cable System' was defined by the claimant *Warren Publications* as 'an entity composed as one or more communities that are offered the same service by the same cable system owner at the same prices' offering'; The Directory in itself was a comprehensive guide giving information on cable systems and included names, address of cable system providers, number of subscribers', the channels offered, the price of service and so on and so forth, *Warren Publications* 115 F3d 1509 (11th Cir 1997); *BellSouth Advertising* (n 563) pages [1511]-[1513].

⁵⁶⁹ *Warren Publications* (n 568) page [1511].

⁵⁷⁰ *Ibid*, page [1520].

11th circuit held that Microdos did not copy any of the original selection, coordination or arrangement of the directory in question, since the selection or arrangement followed in those cable directories had no minimal creativity attached to them.⁵⁷¹ Selection mechanism followed in case of the directory in question was non-existent, since the listing was all-inclusive. Further, cable operators in each system did the primary selection and thus, claim of originality only rested on the 'arrangement' followed in the directory.⁵⁷² *Warren* attempted to make the directory commercially useful. According to the Court, this approach was a "...mere discovery of an organizing principle, which [was] dictated by the market [and], not sufficient to establish creativity."⁵⁷³ Thus, Warren Publishing failed to make the *Feist* grade in terms of creativity.

In comparison to factual compilations, there have been fewer questions raised on the copyrightability issue of compilations comprising of works. The second circuit in the case of *Stuart Y Silverstein v. Penguin Putnam (Silverstein)* questioned the creativity required in selection or arrangement of poems.⁵⁷⁴ The Court cited *Feist* to observe the standard of creativity and expected sufficient indication of selection.⁵⁷⁵ *Silverstein* in this case, was engaged in compiling poems written by the American poet Mrs. Dorothy Parker. Mrs. Parker did not

⁵⁷¹ Ibid.

⁵⁷² Ibid, pages [1517]-[1520]; "Although courts should, and typically do, analyze selection and arrangement separately, then tend to find both or neither selection and arrangement to be creatively original", Polivy (n 243) page [817]; courts tend to use disjunctive reading at the time of assessing selection, co-ordination or arrangement in a compilation. This is the observation in the case of *National Business Lists, Inc. V. Dun & Bradstreet* 552 F Supp 89(N D Ill 1982); William Patry, 'Copyright in Collection of Facts: A Reply' (1984) 6 Comm & Law 11,30.

⁵⁷³ *Warren Publications* (n 568) page [1520].

⁵⁷⁴ 368 F 3d 77 (2nd Cir 2004).

⁵⁷⁵ Ibid.

include poems written by her in the three volumes of poetry published during her lifetime. Later on, Penguin publishers included those poems in their latest publication. Further to this publication, *Silverstein* claimed copyright infringement based on original selection or arrangement of the poems in his own compilation. For the claimant, the sources of these poems have been old newspaper and magazines. The category of uncollected poems and selection mechanism in this regard was not considered original to *Silverstein*. Mrs. Parker herself decided to leave some poems out of her lifetime collection. Moreover, copyedits performed by *Silverstein* were trivial in nature.⁵⁷⁶ There was no indication of any substantial change that took place in the published book.⁵⁷⁷ It seemed that the work of the claimant was a mere reproduction of Mrs. Parker's original work.

There have been various instances where the guidelines of *Feist* decision have been interpreted by subsequent cases. The following section observes possible inconsistencies that may have occurred, while following such guidelines.

4.1. Modicum of Creativity for Factual Compilations

The above outlined three cases: *Mason*, *Key Publications* and *Maclean* confirmed that a factual compilation by virtue of selection, arrangement or personal discretion can meet the standard of *Feist*. In *Mason*, prior selection of

⁵⁷⁶ 368 F 3d 77 (2nd Cir 2004).

⁵⁷⁷ The claimant said that copyediting changes related to punctuation, titling, or formatting but they were not particularly visible.

sources that led to the final version of maps played a very important role.⁵⁷⁸ Without selection and use of personal discretion, the compilation would have been an obvious representation of information available in the public domain. Similarly, in the *Key Publications* case, personal discretion seems to hold the key, which separated the compilation from purely mundane work of selecting and arranging all business listings for a yellow pages directory.⁵⁷⁹ Expert opinion was considered sufficiently creative in *Maclean*. Prediction is an outcome of individual discretion, which helped in deciding the price forecast of cars.⁵⁸⁰ The above outlined cases did not clearly state the amount of selection necessary to meet the *Feist* standard.⁵⁸¹ The decision in *Feist*, however, only suggested non-copyrightability of the practice of including entire list of subscribers in a telephone directory. There was no creativity on the part of Rural to include all information about telephone subscribers.⁵⁸² Thus, one observes an inextricable link between selection process and involvement of creativity.

The above outlined cases provide varied interpretations of the threshold of creativity. There is, however, a certain amount of commonality in all three cases. The context of these cases indicates that claimants have not excelled in terms of creativity to merit copyright protection. For instance, in the *Chinese*

⁵⁷⁸ This reference will be drawn when discussing the relationship of *Feist* with *Dataco*.

⁵⁷⁹ *Key Publications* (n 556).

⁵⁸⁰ 44 F 3d 61 (2d Cir 1994), page [67].

⁵⁸¹ It is equally true that *Feist* itself did not say about the amount of creativity and will be decided on a case-by-case basis.

⁵⁸² *Feist Publications* (n 4).

Directory case, the claimant left out certain businesses.⁵⁸³ Such decision did not result from extensive prior research or calculation. The claimant left out short-term business houses, based on personal discretion and experience. Similarly, in the case involving maps, the claimant did not re-draw the maps to show creativity, but he compared and selected consistent features within the existing structure.⁵⁸⁴ As in the *Maclean* case, comparing various forecasts of market prices involves a greater level of creativity. Experts did not calculate the predictions, but instead based their decisions on existing informational sources.⁵⁸⁵ In all of the above cases, a certain amount of creativity is present, but there is no requirement of novelty. Therefore, the outlined cases follow *Feist* requirement of modicum of creativity.

4.2. 'Obvious' Selection and Arrangement Discarded

In *Bell South* and *Victor Lalli* cases, the issue of 'rigidity' came to the forefront.⁵⁸⁶ The claimants worked within the confinement of a rigid structure: *Bell South* within the standard requirements of a yellow pages business directory; whereas *Victor Lalli* within the pre-conceived functional grid of a gambling chart. The entire structure in *Bell South* case followed was typical to a yellow pages business directory. Moreover, businesses in the directory were included based on the preferences of customers. Hence, the listing was a prerogative of the customer instead of the claimant. The techniques used for

⁵⁸³ *Key Publications* (n 556).

⁵⁸⁴ *Hodge E Mason* (n 544).

⁵⁸⁵ 44 F 3d 61 (2d Cir 1994).

⁵⁸⁶ Working within the purely functional grid offering no opportunity for variation, *Meade* (n 551) Page [264].

marketing did not amount to authorship but merely discovered facts.⁵⁸⁷Hence, there was no originality in selection or arrangement of contents. Further, in *Victor Lalli*, no opportunity for the claimants to go beyond the rigid structure was provided. Charts used in this case did not give the option to exercise creativity. The claimants had to restrict themselves to the requirement of the grid.⁵⁸⁸ Therefore, this compilation was devoid of minimal creativity required to merit copyright protection.

When personal discretion and judgement are used, it is likely that creativity would match the *Feist* standard. This approach is visible in cases mentioned in the previous section.⁵⁸⁹ The selections were not purely mechanical or obvious, unlike cases mentioned in this section. For example, there are different ways of compiling a Chinese business directory besides selection or arrangement, as was followed by the claimant.⁵⁹⁰ Representation made through any compilation would be obvious where the selection or arrangement is limited by choice.

In accordance with the *Feist* decision, the aforementioned cases in this section suggest that purely mechanical processes cannot give rise to creativity. Although majority of compilations will come under copyright protection, there are certain categories that may remain unprotected.⁵⁹¹

⁵⁸⁷ *BellSouth Advertising* (n 563) page [1446].

⁵⁸⁸ 936 F 2d 671 (2nd Cir 1991).

⁵⁸⁹ *Supra* section 4.1.

⁵⁹⁰ *Key Publications* (n 556).

⁵⁹¹ *Feist Publications* (n 4) page [345].

4.3. Limited Inconsistencies Resulted

Inconsistencies are evident in the decisions of *Key Publications*, *BellSouth* and *Warren Publishing*.⁵⁹² These inconsistencies relate to the issue of subjective and objective selection method and the application of *Feist's* standard. Subjective elements identify the 'person' in the work, and elements in a work that can be attributed to the person. The person making such selection uses his own discretion and includes or excludes data at the stage of compiling a database. Following an objective criterion, there is conscious exclusion of data from the compilation that meets the objective criteria.⁵⁹³ In *Key Publications*, the compilation was copyrightable as the producer selected particular businesses. He increased the value of the compilation by adopting selections according to the requirement of the Chinese-American community. He used personal discretion, although that was subsequent to recognizing market demand of yellow pages directory in the Chinese community.⁵⁹⁴ Commentators have suggested that selection process in *Key Publications* was not truly subjective, since the 'decision was the result of purely functional considerations'.⁵⁹⁵ The claimant merely provided the consumers with a directory that 'included only

⁵⁹² It has been suggested that "selection and arrangement is a test of subjective authorship" Ginsburg (n 166) page [1896], and *Feist* said that selection and arrangement constitutes originality; On a different note, it is evident that post-*Feist* cases have maintained that only "a narrow category of works in which the creative sparking is utterly lacking" will not receive copyright protection, *Feist Publications* (n 4) page [359].

⁵⁹³ Bitton (n 430) page [631].

⁵⁹⁴ *Key Publications* (n 556).

⁵⁹⁵ Bitton (n 430) page [634]; Moreover, there was similar exclusion of residential rate customers in the BellSouth telephone directory similar to the issue of exclusion in *Key Publications*, Ethan L Wood, "Copyrighting the Yellow pages: Finding originality in factual compilations" (1993-94) 78(5) Minn L Rev 1319, 1334.

relevant and useful data'.⁵⁹⁶ Contrary to this decision, *Warren Publishing* was penalized because selection was market driven and the arrangement followed in the cable directory was according to the specific need of consumers.⁵⁹⁷

As far as the decisions in *Key Publications* and *BellSouth* are concerned, the difference between the two is based on the facts of the case. There was no subjective evaluation, while selecting geographic area and cutoff date for the directory.⁵⁹⁸ In contrast, the claimant in *Key Publications* case used subjective evaluation at the time of deciding the businesses for his directory.⁵⁹⁹ Therefore, the two cases are different in the context of the subjective evaluation. However, the question of market influence affecting the subjective selection remains. In the context of *Key Publications*, it has been argued that market driven functional consideration led the compiler to adopt an objective instead of a subjective selection because the compiler had "no real choice in making such decisions".⁶⁰⁰ One must understand that the decisions taken in *Key Publications* case are both objective and subjective in nature. A compiler cannot possibly forego his personal judgement, even after knowing the market demand. The market demand may give an idea but the compiler needs to express the idea by using his personal discretion and creativity.⁶⁰¹ In fact, this is an inevitable outcome in cases of factual compilations, since compilers, under

⁵⁹⁶ Ibid; there was caution about how the issue of functionality has been used Meade (n 551) page [262].

⁵⁹⁷ 115 F3d 1509 (11th Cir 1997).

⁵⁹⁸ 999 F2d 1436 (11th Cir 1993).

⁵⁹⁹ Polivy (n 243) page [813].

⁶⁰⁰ Bitton (n 430) page [634].

⁶⁰¹ *Key Publications* (n 556).

all circumstances will take into account the market requirement.⁶⁰² Production of factual compilations is entirely for commercial reasons and the decision of production is primarily based on the requirement and utility of the information.⁶⁰³ In the course of making compilation useful for the readers, the publisher gets the opportunity to be creative.⁶⁰⁴

It is inconceivable to deny copyright protection on the ground of usefulness. This practice would leave majority of factual compilations outside the purview of copyright protection.⁶⁰⁵ Moreover, the US Supreme Court contemplated that most compilations would remain protected even after the *Feist* decision.⁶⁰⁶ The directory in *Feist* was useful but demonstrated insufficient creativity to meet the originality requirement.⁶⁰⁷ Further, the case did not say explicitly about the non-copyrightability of useful directories. As long as the publishers “...embody an element of subjective judgement, compilations can respond to market needs and still be held creatively original”.⁶⁰⁸ Functionally dictated compilations, however, without manifesting creative selection or arrangement are in principle

⁶⁰² Authors of most compilations would base their compilation on audience requirement. Alan L Durham, *Speaking of the World: fact, opinion and the originality standard of copyright* (2009) 33(3) Arizona State Law Journal 791.

⁶⁰³ *Infra* chapter III, section 3.2.

⁶⁰⁴ Compilations must be effective for the readers and this means the user requirement, and the usefulness of such compilation should be taken into account, Justice O’Conner in *Feist* citing Nimmer said: “author typically chooses which facts to include, in what order to place them, and how to arrange the collected data so that they may be used effectively by readers “, *Feist Publications* (n 4) page [340].

⁶⁰⁵ Durham (n 602) page [155].

⁶⁰⁶ *Ibid.*

⁶⁰⁷ *Feist Publications* (n 4) page [363].

⁶⁰⁸ Polivy (n 243) page [833]; For example the arrangement was original in the *Key Publications* (n 556); In the opinion of Benjamin Thorner, “the idea that functional writings are unprotectable by copyright is wrongheaded as it hampers creators’ incentives to profitably bring their goods to the public”, Benjamin B. Thorner, ‘Copyright protection for Computer Databases: the threat of *Feist* and a Proposed Solution’ (1997) 5(1) VA J L & TECH 27.

not copyrightable.⁶⁰⁹ Therefore, functionally dictated compilations manifesting creative selection or arrangement stand a good chance to merit copyright protection.

The decision of *Warren Publishing* was based on the distinction of fact and expression. In the Court's opinion, a market-policy adopted in the *Warren* case was a fact because such policy was embedded in the market.⁶¹⁰ In the context of informational works, Jane Ginsburg has commented on the fallacy of using fact/expression distinction. She said:

“with respect to low authorship works, the fact/expression distinction thus is inherently flawed: its grudging measure of protectability undermines its own goals by diminishing incentives to produce informational works”.⁶¹¹

She probably meant that there is little expression in databases comprising of informational works and therefore, there is no utility of the fact/expression distinction in such works. The distinction may still be necessary in informational works where complementary value has been added by the publisher, alongside the factual information.⁶¹² As observed in case of Westlaw or LexisNexis databases, the complementary selective information is mixed with factual

⁶⁰⁹ Reichman & Samuelson (n 72) page [62].

⁶¹⁰ 115 F3d 1509 (11th Cir 1997).

⁶¹¹ Ginsburg (n 166) page [1915].

⁶¹² *Infra* chapter III, section 3.2.

information, which makes the distinction of fact/expression necessary for the second work.⁶¹³

On a different note, using the argument of purely deterministic and obvious criteria may be a better way of explaining the judgement in *Warren Publishing*.⁶¹⁴ There are limited number ways of arranging the information in a cable directory.⁶¹⁵ A second comer in the context of the directory must adhere to the rigid structure followed by the first publisher. Thus, Warren Publishing did not have sufficient room to show creativity in arranging the information in the cable directory.⁶¹⁶ Due to the rigid structure the arrangement was devoid of creativity.

4.4. Minimum Creativity for Compilations Comprising Works

There is a similarity between compilations comprising of works and compilations representing factual information.⁶¹⁷ In the *Silverstein* case, the claimant compiled the poems that he came across in magazines and newspapers.⁶¹⁸ These were the poems left by Mrs. Parker, and as such, there

⁶¹³ www.westlaw.com and www.lexisnexis.com; This trend is also observed in the annual report of Reed Elsevier, *Ibid*.

⁶¹⁴ 115 F3d 1509 (11th Cir 1997).

⁶¹⁵ This situation was similar to the *Feist* case involving telephone directory, *Feist Publications* (n 4).

⁶¹⁶ Furthermore the cable directory in question was not electronic in nature, thereby limiting the possibility of selection or arrangement as it happens in case of an electronic database, *Supra*, chapter I, section 6.1

⁶¹⁷ In spite of the possible similarity in terms of selection requirement, there are differences between the two kinds of compilations. In a factual compilation, no one will claim copyright infringement in contents and hence, a compiler may claim copyright protection as long as a modicum of creativity is present in selection or arrangement. Whereas a licence is required to use the copyright works in the compilation.

⁶¹⁸ 368 F 3d 77 (2nd Cir 2004).

was no adoption of a selection method. The claimant did not select by using his personal discretion and judgement. In the context of the requirement of creativity, the Court adopted the threshold of personal judgement.⁶¹⁹ Such threshold is unlikely to be stringent in nature due to the connection with the *Feist* decision.⁶²⁰ There have been similar observations made in cases of compilations comprising of factual information.⁶²¹

Other than creativity through selection mechanism, the claim of copyright may rest on creative work related to the copyrighted material in the compilation. In this particular case, the claim of copyright protection was with reference to copyedits required for the collection of poems. Although trivial copyediting was not sufficient, something creative would have triggered copyright protection.⁶²² Therefore, there may be original contribution through the act of copyediting. It is unlikely that the standard of creativity is stringent in this regard.⁶²³

This chapter shows that the *Feist* decision was not unique and a new-line of jurisprudence did not emerge subsequent to the decision. US Copyright Office did not face any appreciable changes in the process of registering factual compilations under copyright. Further, cases subsequent to *Feist* decision proved that the threshold of protection remained similar to the standard

⁶¹⁹ The issue of personal judgement/experience is also observed in *Maclean* case, 44 F 3d 61 (2d Cir 1994).

⁶²⁰ *Feist Publications* (n 4).

⁶²¹ *Supra* section 4.1.

⁶²² Corrections to text including punctuation or spelling may constitute trivial changes , *Matthew Bender & Co. v. West Publishing Co.*, 158 F.3d 674, (2d Cir.1998).

⁶²³ *Ibid.*

expressed in *Feist*. There were no substantial inconsistencies to raise concern among the producers. Therefore, the *Feist* decision did not cause any appreciable change in the threshold of originality unlike the concern expressed in the explanatory memorandum to the first draft proposal.

CHAPTER III

NEGLIGIBLE IMPACT OF *FEIST* IN THE UNITED STATES

The explanatory memorandum contemplated the ‘gap’ that *Feist* was likely to create, since ‘sweat of the brow’ was removed.⁶²⁴ Such removal would result in less incentive for producers engaged in database production.⁶²⁵ To ensure database production, the enactment of Database Right was considered necessary. This chapter observes aforementioned concerns in the context of US where Database Right is not present. In conclusion, it is clear that ‘sweat of the brow’ had a questionable role in incentivizing database production.⁶²⁶ There was less uncertainty with *Feist* decision and investment continued to flow towards production of electronic databases.⁶²⁷ Further, the prolonged database debate in US did not result from *Feist*.⁶²⁸ The debate resulted largely because of existing Database Right in the EU, and due to extensive interests of stakeholders who wanted database legislation in US without any substantial requirement.

⁶²⁴ (COM (92) 24 final), para [2.3.3].

⁶²⁵ (COM (92) 24 final), para [3.1.9].

⁶²⁶ *Infra* section 1.

⁶²⁷ *Infra* section 3.

⁶²⁸ *Infra* section 4.

1.0 Role of ‘sweat of the brow’ as an incentive for database production

There have been criticisms about expectations that existed with the US Copyright Law. It has been said that database companies were under false assumption that prior to *Feist* decision, US Copyright Law provided comprehensive protection for the structure and contents of a database.⁶²⁹ It was believed that comprehensive databases in US would receive protection under ‘sweat of the brow’ theory.⁶³⁰ The explanatory memorandum leading up to the European Database Directive identified the role of ‘sweat of the brow’ theory in creating incentives for producers and how there would be less incentive for producers in absence of the theory.⁶³¹

In terms of production of databases, GDD showed an upward trend during 1979 to 1991.⁶³² In the year 1979, database production of North America was almost equal to the production of rest of the world.⁶³³ By the middle of 1985, figures

⁶²⁹ W Mathew Wayman, ‘International Database Protection: A multilateral Treaty solution to the United States’ Database Dilemma’ (1996-97) 37(2) Santa Clara L Rev 427,431 and Baila Celedonia, from copyright to copycat: Open season on data, publishers weekly Aug 16 1991 at 34; Neeta Thakur, ‘Database protection in the European Union and the United States: the European Database Directive as an optimum global model’ (2001) 1 IPQ 100,104.

⁶³⁰ Jane C Ginsburg, ‘Copyright, Common Law and *sui generis* protection of databases in the United States and Abroad’ (1997-1998) 66(1) U Cin L Rev 151,151; Cynthia M Bott, ‘Protection of Information Products: Balancing Commercial Reality and the Public Domain’ (1998-99) 67(1) U Cin L Rev 237,246.

⁶³¹ (COM (92) 24 final), page [17].

⁶³² Martha E. Williams, ‘The State of Databases Today: 2004’, Gale Directory of Databases 2004 1(1) in Herr (n 147).

⁶³³ Ibid; GDD was the same source referred to in first evaluation report concerning Database Directive.

recorded an increase to 2000 and by 1991 increased to 4424.⁶³⁴ In 1991, North American production was twice as much in comparison to the rest of the world.⁶³⁵ Going by the figures it is apparent that there was less concern among producers, which needs further analysis.

1.1 Inconclusive Impact on Producers

There is an apparent impression that the presence of ‘sweat of the brow’ argument with respect to copyright protection incentivized production of databases.⁶³⁶ As a result, the GDD report reflected an increase in number.⁶³⁷ This argument, however, is in contradiction with the GDD report referred during the evaluation of performance of the Database Directive in the EU.⁶³⁸ If we go by numbers, even after *Feist* decision, database industry grew considerably in US.⁶³⁹ With ‘sweat of the brow’ as the source of positive incentive, outright rejection of the same in *Feist* should have a negative effect on the future of US database industry.⁶⁴⁰ However, GDD indicates that there was no visible

⁶³⁴ Martha E. Williams, ‘The State of Databases Today: 2005’, Gale Directory of Databases 2005 in Herr (n 147).

⁶³⁵ Ibid.

⁶³⁶ Derclaye (n 115) page [291].

⁶³⁷ Herr (n 147) page [162].

⁶³⁸ First Evaluation of Directive 96/9/EC, para [4.4].

⁶³⁹ ‘Intellectual property and the National Information Infrastructure: The Report of the Working Group on Intellectual Property rights’ (*United States Patent and Trademark Office*, 8 January 2007) available at < <http://www.uspto.gov/web/offices/com/doc/ipnii/>> (accessed 10 December 2009).

⁶⁴⁰ In spite of the hostile attitude of the 2nd and the 9th Circuits’ towards copyright protection to factual compilations (*Fred L Worth v Selchow & Richter Co* 827 F.2d 569 (9th Cir 1987) and *Financial Info Inc. v Moody’s Investors Service* 808 F. 2d 204(2nd Cir 1986), “... an abundance of online databases was made available to customers in the states of New York and California”, Litman (n 166) page [611].

negative effect, and as a result, the US database industry prospered.⁶⁴¹ One needs to observe whether database production in US maintained a steady growth from 1985 to 2004, which coincides with the first evaluation report concerning the Database Directive. To have a clear understanding, the entire period has been divided into three parts. The first period is from 1985 to 1991, which also happens to be prior to the *Feist* decision. Subsequent to the *Feist* decision, and leading up to the enactment of Database Right in Europe (1991-1996), is the second period. The final period of 1996-2004 is after the enactment of Database Right in EU until the publication of the first evaluation report. During the first period, the database industry grew from two thousand to four thousand and twenty four.⁶⁴² The figure rose to more than six thousand by 1996 and exceeded eight thousand by 2004.⁶⁴³ In the 20 years (1985-2004), for each period, there was a steady growth of more than two thousand database entries.

A report published by the US Congress Office of Technology Assessment in 1986 contemplated the risk of investment towards compilation of a database.⁶⁴⁴

There were concerns with the issue of free-riding and the level of protection

⁶⁴¹ First Evaluation of Directive 96/9/EC; In around year 2000 there were about 31 American companies engaged in the creation of informational databases in comparison to 6 European companies, Mortiner B Zuckerman, 'The Times of Our Lives' (1999) 127 U.S. News & World Report 68,70 in Daniel R Valente, *Feist Overruled? Database Protection in the Next Century* (2000) 17(7) *The Computer Lawyer* 20, 20.

⁶⁴² Martha E. Williams, 'The State of Databases Today: 2005', Gale Directory of Databases 2005 in Herr (n 147) page [162].

⁶⁴³ First Evaluation of Directive 96/9/EC, para [1.1].

⁶⁴⁴ US Congress Office of Technology Assessment, 'Intellectual Property Rights in an Age of Electronics and Information' (April 1986) available at < www.fas.org/ota/reports/8610.pdf> (accessed 21 December 2009) 97.

available for compilations in a more advanced state of technology.⁶⁴⁵ Alfred Yen has suggested that the situation of free-riding is not as bad as it seems.

“Some compilers will recover their development costs even if copyright is eliminated”, he says. He further adds, “Indeed, it is quite likely that the production of many creative compilations needs no further encouragement or that the production of many ordinary compilations requires additional incentives”.⁶⁴⁶

This proposition seems to be in contradiction with the idea that application of ‘sweat of the brow’ theory provided assurance to producers who were concerned about their predicaments in the world surrounded by internet.⁶⁴⁷ One must acknowledge that ‘sweat of the brow’ argument with respect to copyright was receiving support from some of the circuit courts in US.⁶⁴⁸ Although ‘sweat of the brow’ might have provided support, the problem of insecurity and safeguarding investment was a natural concern linked with development of electronic dissemination in the information society.⁶⁴⁹ Moreover, the link between presence of ‘sweat of the brow’ and production of databases is tenuous.⁶⁵⁰ Therefore, whether the removal of ‘sweat of the brow’ theory would

⁶⁴⁵ *Ibid.*

⁶⁴⁶ Yen (n 147) pages [1374]-[1375].

⁶⁴⁷ (COM (92) 24 final), para [2.3.3].

⁶⁴⁸ *Supra* chapter II (n 505).

⁶⁴⁹ If we refer to the first draft proposal of the Database Directive, concern relating to the protection offered to electronic databases was highlighted throughout, (COM (92) 24 final).

⁶⁵⁰ *Supra* section 1.1.

have a negative impact on the future of electronic database industry is questionable.

1.2 Technical Protection As Incentive for Electronic Databases

One can observe that publishers engaged in database production did not consider post-*Feist* situation as hopeless.⁶⁵¹ There was less concern with the production of electronic databases in future.⁶⁵² The technologies to protect databases were already in place even before *Feist*. For instance, publishers used to control access and monitor customer usage and this was prevalent with large number of online databases.⁶⁵³ Technological Protection Measures (TPM) was effectively used for protecting electronic databases and therefore, it is likely that publishers were less concerned with their investment towards production of such databases.⁶⁵⁴ Although the use of TPM may not provide total security to the contents, there is little evidence to suggest that database producers on a large scale have failed to protect their investments.⁶⁵⁵ Estelle Derclaye suggested that TPM has limitations.⁶⁵⁶ In the opinion of Kenneth Dam, however, 'self-help systems' like TPM may be immensely useful in protecting contents. Moreover, there may be legislations to support the self-help systems

⁶⁵¹ *Supra* section 1.1.

⁶⁵² *Ibid.*

⁶⁵³ This is in agreement with the view of Jessica Litman. Litman (n 166) 611; Similar to the contention of Litman, Paul T Sheils and Robert Penchina have said that database publishers already had well settled licensing agreements in place through which the licensor could restrict the use of the information, including prohibition on the copying, redistribution and re-publication of information, Paul T Sheils and Robert Penchina, 'What's all the fuss about *Feist*? The sky is not falling on the intellectual property rights of online database proprietors' (1991-1992) 17(2) U Dayton L Rev 563, 572.

⁶⁵⁴ *Ibid.*

⁶⁵⁵ Litman (n 166) page [611].

⁶⁵⁶ Derclaye (n 115) page [197].

from the vulnerability of cybercrimes. For instance, DMCA in US is an example of anti-circumvention laws.⁶⁵⁷ Ejan Mackaay spoke about alternate means of 'fencing'. In his opinion, "a variety of fencing techniques are known, including such unexpected ones as marketing practices and elaborate contractual arrangements and further ones may be discovered as entrepreneurial ones".⁶⁵⁸ The aforementioned arguments suggest that TPM together with local laws could possibly incentivize database production.

There is a mixed response concerning the use of TPM. It was possible that someone could finally get hold of a database in an unauthorized manner.⁶⁵⁹ Although this possibility exists, remedies to this act of circumvention are covered under various formats of Computer Misuse legislations.⁶⁶⁰ Even with an incentive in place, the problem of unauthorized access would persist. Although there may be some concern with databases in paper-format, such databases would have negligible impact in the electronic age.

⁶⁵⁷ Kenneth W Dam, 'Self-help in the digital jungle' in Rochelle C Dreyfuss and others (eds), *Expanding the boundaries of Intellectual Property: Innovation Policy for the Knowledge Society* (Oxford University Press, first published 2001) 104-111; Patrica Akester, 'Survey of Technological Measures for protection of Copyright' (2001) 12(1) Ent L Rev 36, 39; Similarly in the EU the 2001/29/EC Directive includes the anti-circumvention policies. In the UK, the EU Directive provisions are included in the CDPA of 1988 through sections 296-299.

⁶⁵⁸ Ejan Mackaay, 'The Economics of Emergent Property Rights on the Internet' in P Bernt Hugenholtz(ed), *The future of Copyright in a Digital Environment* (Kluwer Law International London 1996)25.

⁶⁵⁹ Derclaye (n 115) page [197].

⁶⁶⁰ *Supra* chapter I, section 2.2. .

Initial understanding shows that it is less likely for Feist to have possibly disincentivized database business.⁶⁶¹ It questions the proposition that *Feist* casted a negative jurisprudence in the electronic age.⁶⁶² The aforementioned observation indicates that perhaps there was limited concern among stakeholders with no sign of extensive uncertainty. Limited concern was observed in the period subsequent to *Feist* when there was little initiative on the part of publishers to enact database legislation in US.⁶⁶³

Database production may not depend on the existence of 'sweat of the brow' theory, unlike what has been expressed in the explanatory memorandum to the first draft.⁶⁶⁴ There is no definite indication about requirements of any special incentive for the production of electronic databases.⁶⁶⁵ An additional argument may be put forward based on the reasoning that databases could be in paper-format. While this is a valid argument, the explanatory memorandum only supported the incentive of 'sweat of the brow' for production of electronic databases.⁶⁶⁶ Although the final Directive covers databases in both formats, major databases are likely to be electronic in nature.⁶⁶⁷

⁶⁶¹ Cases subsequent to *Feist* suggested that the threshold can be easily met, *Supra* sections 2, 3 & 4, Chapter II.

⁶⁶² (COM (92) 24 final), para [2.3.3].

⁶⁶³ This would be further analyzed in the next section in relation to the gap of five years after *Feist*.

⁶⁶⁴ (COM (92) 24 final), para [2.3.3].

⁶⁶⁵ Going by numbers argument, *Supra* section 1.1.

⁶⁶⁶ (COM (92) 24 final).

⁶⁶⁷ Council Directive 96/9/EC.

2.0 Inaction for five years questions impact

If the previous section gives an impression that presence and application of ‘sweat of the brow’ as an incentive is questionable, this section questions the period in the US when there was no activity after *Feist* decision. This was the time when Europe went ahead with the preparation stage and additional incentive was provided to databases that are non-original by copyright standard.⁶⁶⁸

Authors have suggested that *Feist* decision had a ‘drastic consequence’ on the protection of future databases and on the database industry. There was fear of misappropriation of contents, underproduction of databases and market failure.⁶⁶⁹ In the opinion of Bruce Lehman there was increasing concern that valuable factually-oriented databases would go unprotected.⁶⁷⁰ Reporting in the Wall Street Journal, Wade Lambert raised the consequences of *Feist* decision on the lucrative yellow page industry that generated advertising revenue of \$8 billion.⁶⁷¹ One of them have been quoted saying that

“ ...in the aftermath of *Feist* and its progeny, database providers, finding their databases inadequately protected against misappropriations, began pressuring Congress to enact

⁶⁶⁸ Ibid, Article 7, *Sui generis* Database Right.

⁶⁶⁹ Dennis S Karjala, ‘Misappropriation as a third Intellectual Property Paradigm’ (1994) 94(8) Colum L Rev 2594, 2596-2598; Michael Schwarz, ‘Copyright in compilations of facts: Case Comment’ (1991) 17(5) EIPR 178, 182.

⁶⁷⁰ Bruce Lehman ‘Intellectual Property and the National and Global Information Infrastructures’ in Egbert J Dommering and P Bernt Hugenholtz, *The future of Copyright in a Digital environment* (Kluwer Law International London 1996)103.

⁶⁷¹ Wade Lambert, ‘Yellow pages reuse is found not violate Copyright’ (September 24, 1991) The Wall Street Journal (Eastern Edition) New York, B1.

legislation that would provide them the protection they had under the 'sweat of the brow' doctrine."⁶⁷²

If *Feist* was a decisive cause for new database legislation, initiative for such legislative process should have begun in US long before than it actually got started. The first American attempt to introduce database legislation was in the year 1996.⁶⁷³ The large gap of five years in the background of the threat perception has not been discussed at greater length in most of the writings.⁶⁷⁴ There have been claims to suggest that after *Feist*, database industry had requested legislative approach to correct the negative effect.⁶⁷⁵ This statement does not synchronize with the time of first legislative proposition, and thus questions the 'gap' of five years. There was, however, a white paper published under Clinton administration on "Intellectual Property and the National Information Infrastructure", which did discuss about a prospective international *sui generis* protection on databases.⁶⁷⁶ The question of inordinate delay in the American database debate needs further analysis.

⁶⁷² J Ryan Mitchell, 'If at *Feist* You Don't Succeed, Try, Try Again: An Evaluation of the Proposed Collections of Information Piracy Act' (1999) 78(4) Neb L Review 901, 902.

⁶⁷³ US Copyright Office, 'Report on Legal Protection For Databases: August 1997'; Miriam Bitton *A New Outlook on the Economic Dimension of the Database Protection Debate* (2006-07) 47(2) IDEA Intell Prop L Rev 93, 96;"Domestic threat of database exploitation poses the greatest risk to the US database industry", Wayman (n 629) page [466].

⁶⁷⁴ The lack of protection became especially apparent after the Supreme Court ruling in *Feist*", Charles Brill, 'Legal Protection of Collection of Facts' (1998) 2 Computer L Rev & Tech 1, 59.

⁶⁷⁵ "In response, the industry has been working to push through Congress a database protection bill..." Russell G Nelson, 'Seeking Refuge from a Technology Storm: The Current Status of Database Protection Legislation after the Sinking of the Collections of Information Anti-Piracy Act and the Second Circuit Affirmation of *Matthew Bender & (and) Co. v. West Publishing Co. Recent Development*' (1998-99) 6(2) J Intell Prop L 453, 456.

⁶⁷⁶ 'Intellectual property and the National Information Infrastructure: The Report of the Working Group on Intellectual Property rights' (*United States Patent and Trademark Office*, 8 January 2007) available at < <http://www.uspto.gov/web/offices/com/doc/ipnii/>> (accessed 10 December 2009).

The people who represented the publishers later in the American database debate proposed that *Feist* would have disastrous effect. There would be less incentive for database producers. As a result, production of informative databases would suffer.⁶⁷⁷ While this situation reflects the need for urgent action, there was no visible activity in the period of five years immediately after the *Feist* decision. Under these circumstances, the implementation of *Feist* is questionable.

The US Supreme Court's reference to the US Constitution was unexpected at some quarters and the publishers could take this plea.⁶⁷⁸ It may be argued that the Constitutional reference in *Feist* was something which surprised the publishers, and it was not expected at that time. This may have prompted the delay in regrouping, and assessing the damage after *Feist*. One must however note that from the point of originality, reference to the Constitution was not something unique. The Constitutional aspect, as discussed before, has been referred in the other Supreme Court decisions.⁶⁷⁹ The role of the Constitution may have been to provide additional clarity and to make sure that such confusion ceased to exist in future.⁶⁸⁰ Some reciprocal action on the part of publishers was expected if the Constitutional aspect was the biggest concern. It relates to the general issue surrounding incentives for producers and their

⁶⁷⁷ Michael R Klipper and Meredith S Senter, *The facts after Feist: The Supreme Court addresses the Issue of the Copyright ability of factual compilations* in Jon A Baumgarten (ed) *'Fact' and Data Protection After Feist* (Prentice Hall Law & Business, New Jersey 1991).

⁶⁷⁸ *Supra* Chapter II, section 2.

⁶⁷⁹ The *Trade mark cases* (n 366) and *Burrow-Giles Lithograph* (n 366) cases referred to in the *Feist* decision.

⁶⁸⁰ *Supra* chapter II, section 1.1.

investments towards the production of electronic databases. The obstacle of the Constitution should have ensured more activity in the background of the claim that incentive was required for database producers. However, there seems little evidence that the concern was real. The gap between the *Feist* decision and the first legislative attempt in US is a conclusive proof in this regard. Further, the concern expressed with the removal of 'sweat of the brow' is not tenable.⁶⁸¹ Even before the *Feist* decision, the 'sweat of the brow' argument for the purpose of copyright protection of compilations was on the verge of exit.⁶⁸²

3.0 Constant flow of investment towards dissemination of information

In the wake of genuine concern after *Feist*, there should have been visible discomfort on the part of database producers. The Report of US Commerce Department in 1994 predicted that subsequent to *Feist* there would be less incentive to produce informative databases.⁶⁸³ However, in the following year they retracted from their statement and stressed on the requirement of information dissemination.⁶⁸⁴ Michael Klipper, who later became one of the major proponents of database legislation in US, observed that *Feist* would have

⁶⁸¹ *Supra* section 1.1.

⁶⁸² *Supra* chapter II, section 3.

⁶⁸³ Dept. of Commerce, U.S. Industrial Outlook 1994, at 25-1 in Debra B Rosler, 'The European Union's proposed Directive for the legal protection of databases: A new threat to the free flow of information' (1995) 10(1) High Tech L J 105, 133.

⁶⁸⁴ *Ibid.*

some kind of adverse effect in the production of factual compilation.⁶⁸⁵ This would be disastrous in an information society purely because these facts, are customized, delivered and compiled in an understandable format for the purpose of reference.⁶⁸⁶ In terms of originality, informative compilations may fall short of *Feist* standard because of obviousness in selection or arrangement, but the utility of such compilations are beyond doubt.⁶⁸⁷ The proponents of American database legislation thought that negative effect would throttle and dis-incentivize further productions of valuable compilations. It would be disastrous on the electronic information industry and the US economy. The standard of *Feist* leaves automated databases and factual compilations unprotected. Moreover, the available protection measure under misappropriation, law of contract and unfair competition may not help in creating sufficient incentive.⁶⁸⁸

While there were people who believed that *Feist* would cast a negative effect on the production of non-original databases, there were others who were not very certain about the ill-effects of *Feist*. In the opinion of Jessica Litman, there was “little fear that the [database industry would] be withering away”.⁶⁸⁹ Further, there were other effective measures and the industry would have surely

⁶⁸⁵ Klipper and Senter (n 677); In contrast early twentieth century onwards US database market dominance over UK in relation to database production was clearly evident, Gary Lea, ‘In defence of originality’ (1996) 7(1) Ent L Rev 21, 23.

⁶⁸⁶ *Ibid.*

⁶⁸⁷ Klipper and Senter (n 677).

⁶⁸⁸ Philip H Miller, ‘Life after *Feist*: Facts, the First Amendment and the Copyright status of automated databases’ (1991-1992) 60(3) Fordham L Rev 507, 533-534.

⁶⁸⁹ Litman (n 166) page [611].

adjusted with the post-*Feist* world.⁶⁹⁰ Similar to Litman, others also said that the issue of drastic consequences was greatly exaggerated. According to Vice President of the Information Industry Association in Washington DC, *Feist* would ensure mixed results for the industry. Most compilations should come under the threshold that *Feist* created. Further, there could be possible concern with the extent of protection afforded to factual compilations.⁶⁹¹ There were others who thought that the effect of *Feist* was not immediately clear. It was suggested that future negative effect of *Feist* should be covered, but to the extent of providing only the required incentive to database producers.⁶⁹² The gap that *Feist* would create was not clear.⁶⁹³ It was believed that properly drafted licensing agreements will help the proprietors of databases to stop unauthorized copying. Moreover, remedies under misappropriation and unfair competition would continue to be an effective weapon in the hands of proprietors.⁶⁹⁴

This section questions the impact of *Feist* with the objective to understand whether *Feist* stopped or dis-incentivized the investment process in electronic publishing. Towards that objective, Annual Reports of electronic publishing houses have been consulted. These reports will reveal the strategy of

⁶⁹⁰ Ibid.

⁶⁹¹ Steve Metalitz, '*Feist* and the Information Industry' (June/July 1991) 17(5) Bulletin of the American Society for Information Science 11-12.

⁶⁹² Carson (n 462) pages [969]-[970].

⁶⁹³ Stanley Lai, 'Recent Developments in Copyright, Database Protection and (On-line) licensing' (1999) 7(1) Int'l J of L & Information Technology 73, 86-87.

⁶⁹⁴ Sheils and Penchina (n 653).

companies about their investments towards supply of information.⁶⁹⁵ This has direct relation to the issue of factual compilations, since facts are essentially informative.⁶⁹⁶ The Annual Reports of companies like Reed Elsevier suggest the scope of investment towards supply of information. It is apt to choose Reed Elsevier, since they were one of the chief protagonists of database legislation in US. Other than Reed Elsevier, Thomson advanced their interests for database legislation.⁶⁹⁷ In fact, Reed Elsevier was seen as a company leading the debate on database legislation in US.⁶⁹⁸ To meet the objective, the Annual Reports of Reed Elsevier from the year after *Feist* till 1999 have been considered. The year 1999 coincides with the European Database Directive. It was enacted in 1996, and by the end of 1998, most of the European member States incorporated the Directive in their national legislations. By 1999, any negative effect of not having protection similar to EU must have been perceived in US.

Reed Elsevier is an Anglo-Dutch conglomerate and is considered one of the largest publishing houses in the world.⁶⁹⁹ Important excerpts from the annual

⁶⁹⁵ Davison (n 72) pages [261]-[263].

⁶⁹⁶ Ibid.

⁶⁹⁷ Ibid; Bitton (n 673) page [109].

⁶⁹⁸ Siva Vaidhyanathan, *Copyrights and Copywrongs: The Rise of Intellectual Property and How it Threatens Creativity* (NYU Press 2003)167; Patti Waldmeir, 'Who should own the raw facts? : Database Legislation: Courts must balance the rights to private property and to public access' Financial Times (London, 22 May 2002)19; Mathew Swibel, 'Defending the Database' (31 March 2004) available at <http://www.forbes.com/2004/03/31/cz_ms_0331beltway.html> (accessed 3 January 2010).

⁶⁹⁹ Elsevier is the world's leading provider of scientific and medical information and serves scientists, health professionals and students worldwide. The Science & Technology business is the world's leading science journal publisher, producing over 200,000 new research articles in some 1,100 journals every year, with Science Direct, its flagship electronic solution, accessed by over 11 million users, 'Reed Elsevier' available at < <http://www.reed-elsevier.com/aboutus/our-business/Pages/Home.aspx> > (accessed 10 November 2010).

reports have been presented in a narrative form followed by the analysis. The excerpts selected from the annual reports relate to level of investment and signifies any point of concern after *Feist*. One of the obvious questions is whether concern posed as a result *Feist* would reflect in the annual report of a company.⁷⁰⁰ As a legal requirement, any issue that affects the shareholders due to change in business policy must be stated in the annual reports. An example in this regard would help to clarify the issue. Around 1993, the investment of Reed Elsevier was broadly towards four sectors: Scientific & Medical, Professional, Business and Consumer. Report covering Medical Publishing stated that profit of the company declined by over 50% in the background of uncertainty surrounding the US pharmaceutical market. Reed Elsevier met with unprecedented challenges because of the proposed US Governmental healthcare reform legislation.⁷⁰¹ Due to this legislative initiative, clients of Reed Elsevier had to severely cut down on their promotional and marketing expenditure resulting which there was a substantial drop in the revenue and profit of Reed Elsevier.⁷⁰² Further to substantial drop in revenue, Reed Elsevier re-structured its business.⁷⁰³ This example shows an instance of how proposed change in law affected the business of the publishing company. Therefore, the consulted annual reports may reveal issues relating to *Feist*, which might have affected the investment in electronic publishing.

⁷⁰⁰ Davison cited excerpts from some of these reports to comment about the strategies of publishers, Davison (n 72) pages [261]-[263].

⁷⁰¹ H.R. 191: American Consumers Healthcare Reform Act of 1993. This bill never became law.

⁷⁰² 'Reed Elsevier annual report 1993' available at < <http://www.reed-elsevier.com/investorcentre/reports%202007/Pages/1992-2001.aspx>> (accessed 10 December 2010) (Reed Elsevier annual report 1993).

⁷⁰³ Ibid.

3.1 Investment Towards Databases

The 1992 Report talks about enormous acquisition opportunities of national companies in US and continental Europe.⁷⁰⁴ It highlighted that Reed Reference Publishing (RRP), which is a major subsidiary of Reed Elsevier, accounted for 80% of revenue and published over five hundred titles. RRP acquired National Register Publishing (NRP) in 1991 and subsequently publications of this company improved significantly. The 1993 Annual Report noted investment towards future database publishing industry by acquiring Congressional Information Service (CIS). CIS was a leading compiler of US historical and governmental data such as legislation, committee hearings, regulations, foreign policy and statistics. This report highlighted the performance of NRP under RRP. It stated that the publishing company has actually developed as a global database publisher, exceeding all expectations. Thus, there was encouragement towards developing similar products.⁷⁰⁵ 1994 was an important year, since Reed Elsevier acquired LexisNexis, which was a leading publisher in US providing online information services.⁷⁰⁶ Similar to RRP, the success story continued with the launch of new products in both paper and electronic format. By that time, Reed Elsevier acquired CIS, with the successful launch of electronic versions of their databases. There was an all-round improvement

⁷⁰⁴ 'Reed Elsevier annual report 1992' available at < <http://www.reed-elsevier.com/investorcentre/reports%202007/Pages/1992-2001.aspx>> (accessed 10 December 2010). (Reed Elsevier annual report 1992).

⁷⁰⁵ 'Reed Elsevier annual report 1993' available at < <http://www.reed-elsevier.com/investorcentre/reports%202007/Pages/1992-2001.aspx>> (accessed 10 December 2010).

⁷⁰⁶ 'Reed Elsevier annual report 1994' available at < <http://www.reed-elsevier.com/investorcentre/reports%202007/Pages/1992-2001.aspx>> (accessed 10 December 2010). (Reed Elsevier Annual Report 1994).

with substantial growth and revenue generation from electronic publishing. In the wake of commercial internet, the 1995 report highlighted the need to create a convenient and effective niche for customers.⁷⁰⁷ Acquisition of LexisNexis in 1994 showed benefits within a year. Thus, "...LexisNexis, which in its first full year of ... ownership, exceeded ...profit expectation".⁷⁰⁸ US were identified as an advanced information market with an increasing need for quality information. It is interesting to note that half of the sales of Reed Elsevier came from the US.⁷⁰⁹ The performance of RRP was within expectation, since it introduced its online prime directory products on LexisNexis service. The future of RRP was bright as the company concentrated on delivering electronic databases using LexisNexis platform. 1996 highlighted the phasing stage of printed to electronic media and the encouraging growth structure of the company.⁷¹⁰ The Report indicated the inherent value of publishing. It indicated the capacity of the good infrastructure to handle competition from other publishers. In the wake of commercial internet and database publishing the RRP was re-organized, and NRP was merged with the LexisNexis service.

3.1.1 *Undeterred confidence towards electronic publishing*

The above narration gives us the idea that investment may continue, though the status of copyright protection could have changed after *Feist*. The previous

⁷⁰⁷ 'Reed Elsevier annual report 1995' available at < <http://www.reed-elsevier.com/investorcentre/reports%202007/Pages/1992-2001.aspx>>(accessed 10 December 2010).(Reed Elsevier annual report 1995)

⁷⁰⁸ Ibid.

⁷⁰⁹ Ibid.

⁷¹⁰ 'Reed Elsevier annual report 1996' available at < <http://www.reed-elsevier.com/investorcentre/reports%202007/Pages/1992-2001.aspx>> (accessed 10 December 2010).

chapter indicated that there was no radical change in the threshold of originality, since majority of databases will remain protected.⁷¹¹

It must be re-iterated that Reed Elsevier was an Anglo-Dutch conglomerate. They invested heavily towards electronic publishing in US where, unlike Europe, there was no Database Right.⁷¹² The sign of investment shows that there was enough confidence among publishers in the absence of legislation.⁷¹³ This attitude confirms that special incentive may not be required where there is a market for databases. It has been suggested that publishers were confident about protecting electronic databases.⁷¹⁴ Such contention is consolidated by the reports of Reed Elsevier.⁷¹⁵ Further, no hesitation was noticed in any of the investments towards electronic publishing, unlike the negative concerns expressed in the aforementioned sections.⁷¹⁶

This outcome is also controlled by the types of databases that Reed Elsevier was involved with at the time of the report. These are also the types of databases that they are presently producing for the international audience. The databases mentioned aforesaid are full-text materials and are unlikely to be affected as a result of the *Feist* decision. For instance, the CIS database

⁷¹¹ *Supra* chapter II.

⁷¹² There was prolonged debate relating to the idea of having a database right in US, *Infra* section 4.

⁷¹³ Bitton (n 113) page [1424].

⁷¹⁴ *Supra* section 1.

⁷¹⁵ Reports spanning from 1993-1996.

⁷¹⁶ *Supra* sections 1 and 2.

compiled US historical and governmental data such as legislation, committee hearings, regulations, foreign policy and statistics.⁷¹⁷ These are not factual data arranged in a mundane way, which was disallowed by the US Supreme Court in *Feist* decision.⁷¹⁸ It has been observed that the cases decided subsequent to the *Feist* disfavoured copyright protection where directories and other similar compilations comprising of factual information had little scope for showing creativity by virtue of selection or arrangement.⁷¹⁹ Reed Elsevier on the other hand is dealing with full-text materials, which are arranged and selected in a way to merit copyright protection. The aforementioned reports spanning over five years is indicative of the level of investments in US, and business confidence in the market subsequent to the *Feist* decision. Reed Elsevier, as an important publishing house, invested without any negative concern. Their business growth continued, and it involved massive investment in publishing industry in the wake of commercial internet. Reed Elsevier did not refer to any obstacles in the transition to online dissemination services. As a result, one observes the acquisition of LexisNexis for 1 billion pound sterling, which was one of the major full-text online legal and news information providers in US.⁷²⁰ In subsequent years, LexisNexis acted as a backbone to many of the subsidiaries to launch electronic databases.⁷²¹ There was no detrimental effect of *Feist* unlike the situation where Reed Elsevier suffered because of proposed

⁷¹⁷ Reed Elsevier annual report 1993 (n 705).

⁷¹⁸ *Feist Publications* (n 4).

⁷¹⁹ *Supra* chapter II, section 4.

⁷²⁰ Reed Elsevier Annual Report 1994 (n 706) pages [4] and [14].

⁷²¹ Reed Elsevier annual report 1995 (n 707).

legislative changes in US.⁷²² Overall, United States was a lucrative destination for publishing business comprising of electronic and paper-format databases.

3.1.2. *Non-electronic databases received investments*

Although the effect of the *Feist* decision was directed at electronic databases, it was a decision that decided the copyrightability of a telephone directory in paper-format.⁷²³ Dissemination of information in electronic format ensured transition from paper-format databases.⁷²⁴ Thus, the negative effect apprehended was mostly in relation to databases in electronic format.

With reference to databases in paper-format, it was believed that anyone can misappropriate factual contents.⁷²⁵ The effect of *Feist* on databases in paper-format would mean less incentive for producers. It was observed in the 1994 Annual Report that Reed Reference Publishing (RRP), a major subsidiary of Reed Elsevier, continued their success story with the launch of new products both in paper and electronic format.⁷²⁶ A new product in paper-format indicates that the apprehended negative impact of *Feist* may have been misconceived. This negative effect apprehended is subject to the type of database. As discussed in the aforementioned section, Reed Elsevier even in case of paper-format databases were dealing with full-text materials thereby making the

⁷²² *Supra* chapter III, section 3.1.1.

⁷²³ *Feist Publications* (n 4).

⁷²⁴ (COM (92) 24 final).

⁷²⁵ *Supra* chapter III, section 2.

⁷²⁶ Reed Elsevier annual report 1992 (n 704).

product suitable for copyright protection.⁷²⁷ Despite the transition to electronic dissemination system, investment towards paper-format databases shows the existence of a possible market even though there was less protection offered in terms of TPM, which is naturally assigned to the structure of electronic databases. Other than the sign of investment, there are instances of publication of yellow pages directories in paper-format. Cases subsequent to *Feist* decision reflected that publishers successfully claimed copyright protection for their databases in non-electronic format.⁷²⁸

3.2 Effective Business Policy and Database Legislation

Other than aforementioned reports, two further Annual Reports of Reed Elsevier have been consulted to assess free-riding problem in the electronic age. The consultation of annual reports has been restricted up to the time when Howard Cobble introduced the second database bill in 1998.⁷²⁹ This was also the time when the European Database Directive was incorporated by most member States.⁷³⁰ These reports will highlight any underlying challenges for the US database industry, since there was an existing database protection in Europe. The position of Reed Elsevier is of particular interest because they have their business presence in US and EU.⁷³¹

⁷²⁷ *Supra* section 3.1.1.

⁷²⁸ *Supra* chapter II, section 5.

⁷²⁹ 'Reed Elsevier annual report 1997' available at < <http://www.reed-elsevier.com/investorcentre/reports%202007/Pages/1992-2001.aspx> > (accessed 10 December 2010). (Reed Elsevier annual report 1997).

⁷³⁰ First Evaluation of Directive 96/9/EC, para [4.1.1].

⁷³¹ *Supra* (n 699).

These two reports did not show any appreciable concern with investment, but stressed on the importance of creating new business models to generate revenue in the electronic age. Even after *Feist* decision there were no complaints made by the publishers to the US Congress. It reflects that to some extent the existing protection measures were adequate in one of the biggest revenue generating industry.⁷³² Further, the 1997 Annual Report considered the utility of value added information and services, which are most likely to attract copyright protection, and would not require separate database legislation.⁷³³ There are further opinions suggesting non-requirement of database legislation. Producers, in case of scientific databases, are going to invest with or without protection.⁷³⁴ According to Stephen M Maurer, even if existing databases are freely copied, the producers invest in them because there are a number of existing methods that are 'self-help' methods.⁷³⁵ Some of them include bilateral agreements, online contracts, inserting copyrighted materials within facts, etc. Although it is difficult for competitors to comprehensively copy a database, the threat of unauthorized access and downloading remains.⁷³⁶

⁷³² William Patry, 'The Enumerated Powers Doctrine and Intellectual Property: An Imminent Constitutional Collision' (1999) 67(2) *The Geor Wash L R* 359, 386.

⁷³³ Reed Elsevier annual report 1997 (n 729).

⁷³⁴ Stephen M Maurer and Suzanne Scotchmer, 'Database protection: Is it Broken and Should we fix it' (1999) 284 *Science*, pages [1129]-[1130].

⁷³⁵ Stephen M Maurer, 'Protecting Technical databases for science and industry: A report prepared for the National Council's Workshop on promoting access to scientific and technical data for public interest' (14-15 January, 1999) available at <<http://www2.sims.berkeley.edu/courses/is296a-3/s99/database.pdf>> (accessed 25 November 2010).

⁷³⁶ Raymond T Nimmer and Patricia A Krauthaus, 'Information as Property Databases and Commercial Property' (1993-94) 1(1) *IJLIT* 1.14; There are pitfall and effectiveness of adopting unfair competition to protect databases, Paula Baron, 'Back to the future: Learning from the past in the Database Debate' (2001) 62(2) *Ohio St L J* 1, 7.

These two reports reveal that there was no genuine concern in the minds of publishers, in terms of protecting their investment. There was also no definite concern of losing investment or negative growth because of the EU Database Right.⁷³⁷ Acquisitions and investments continued in the US subsidiaries where, unlike Europe, no special protection was available. Nothing in the reports shows that the problem of free-riding, affected both investment and profitability of the company.⁷³⁸ There seems to be a structural change in business policy that needs further analysis.

3.2.1 New business policy questions utility of legislation

The aforementioned reports have highlighted importance of new business models to generate revenue in the electronic age.⁷³⁹ Adoption of new business policies provides an important argument against enacting an incentive for database producers.⁷⁴⁰ Development of business policies reiterates the claim that production of databases to a great extent is market driven. If there was a market, database producers would create new opportunities to recover their investment.⁷⁴¹ Under these circumstances, additional incentive may not be required to increase investment.⁷⁴²

⁷³⁷ Council Directive 96/9/EC.

⁷³⁸ Having said that there was the case of *ProCD v Zeidenberg* 86 F3d 1447(7th Cir 1996) involving copying of telephone directories off a CD ROM. *Zeidenberg* extracted the contents and released them on the internet at a lesser cost. For ProCD the cost of the compilation was extensive. The case was decided on the basis of a licensing clause in the CDROM.

⁷³⁹ Bitton (n 673) pages [132]-[133].

⁷⁴⁰ *Ibid.*

⁷⁴¹ David Fewer, 'A *Sui Generis* Right to Data? A Canadian Position' (1998) 30(2) *Can Bus L J* 165,180.

⁷⁴² *Ibid.*

Adoption of new models also represents a situation where old models are no longer sustainable in the electronic age. It became necessary for publishers to change to the new model.⁷⁴³ If the old business models for database production are not sustainable, then the utility of introducing an incentive for those databases through the enactment of Database Right is questionable.⁷⁴⁴ The transition explained in the Annual Reports of Reed Elsevier would mean similar changes for other database producers.⁷⁴⁵

Considerable importance was also given to value added information services for compilations that are factual in nature.⁷⁴⁶ The presentation of information was considered vital for modern day electronic databases, contrary to the belief that an electronic database would merely represent compilation of factual data.⁷⁴⁷ Value added services effectively increase the success rate of a database comprising of factual contents. There are two reasons for following the policy of value added service. The first one is market requirement, whereas the second one is in relation to protection. The issue that production is driven by market requirement has already been discussed in the previous section.⁷⁴⁸ With regards to protection, publishers may seek copyright protection through value added service.⁷⁴⁹ It would essentially mean adding work to the already

⁷⁴³ Davison (n 72) pages [261]-[263].

⁷⁴⁴ Bitton (n 673) page [169].

⁷⁴⁵ Davison (n 72) pages [261]-[263].

⁷⁴⁶ Reed Elsevier annual report 1997 (n 729).

⁷⁴⁷ (COM (92) 24 final), para [3.1.9].

⁷⁴⁸ *Supra* section 3.2.

⁷⁴⁹ Reed Elsevier annual report 1997 (n 729).

existing factual information, which is original by copyright standard.⁷⁵⁰ Thus, publishers believe that the protection offered under copyright is sufficient to protect their investment. Moreover, there is less conviction with the requirement of Database Right. In the European context, the copyright protection has also been favoured over Database Right.⁷⁵¹

3.2.2. *Pro-active measures shield negative effect*

Two of the reports considered in this section cover the period when Database Right existed in Europe. The reports did not reveal any apparent negative impact of such existing legislation in a different jurisdiction *vis-à-vis* investments towards databases in US. There are two possible explanations relating to business policy and protection measures that can explain such non-impact. According to the reports, there was a change in business policy concerning structure of databases, and publishers thought beyond the old existing structures.⁷⁵² Their primary initiative was to cover requirements of the electronic age.⁷⁵³ Concentration on structural changes reveals that legislation may be a secondary requirement and as a result, investment towards electronic publishing continued in subsidiaries.⁷⁵⁴ If legislation were not a primary

⁷⁵⁰ With reference to the interpretation of the *Feist* case through various decisions, *Supra* chapter II.

⁷⁵¹ Interestingly the stakeholders in response to the suggestion of the *sui generis* database right in the Green Paper of the Commission, did not show any interest for the enactment of a special right and opted for database protection by copyright, George Metaxas, 'Protection of databases: quietly steering in the wrong direction?'(1990) 12(7) EIPR 227-228.

⁷⁵² Reed Elsevier annual report 1997 (n 729).

⁷⁵³ *Ibid.*

⁷⁵⁴ *Ibid.*

condition for investment, then existence of EU database legislation would not have a negative impact on US database industry.

While successful transition to electronic format temporarily resolved the requirement of database legislation, use of TPM provided an additional layer of security.⁷⁵⁵ The effectiveness of TPM in case of electronic databases has already been observed in this chapter and is further consolidated in the annual report.⁷⁵⁶ There is no substantial notification of free-riding problem, at least not to the extent anticipated in the explanatory memorandum to the proposal.⁷⁵⁷ With the aforementioned two-layered approach, the negative effect of Database Right was not temporarily felt in the US. One has to remember, however, the process of enacting a Database Right did start in the US.⁷⁵⁸ The above representation gives a broad picture of the market condition. It does not reflect conditions of all publishers who were likely to be affected because of *Feist*. However, these representations clearly underline the strategy and policy of one of the chief proponents of database legislation in US.⁷⁵⁹ No corresponding action coupled with the types of database produced by publishers could suggest that *Feist* was not an inhibiting force and an obstacle for investment in the electronic age. There was evidence to suggest that after *Feist*, the number of databases rose by 35% in the United States. The numbers jumped from

⁷⁵⁵ It is apparently temporary because fresh debate concerning database legislation in US started after 1996.

⁷⁵⁶ *Supra* section 1.2.

⁷⁵⁷ (COM (92) 24 final).

⁷⁵⁸ *Supra* section 4.

⁷⁵⁹ Davison (n 72) pages [261]-[263].

7637 to 10338 within six years. Further, the private sector investment towards database production rose to 78% after *Feist*.⁷⁶⁰ These figures, however, is different from what has been expressed in the first evaluation report.⁷⁶¹

There were debates concerning the requirement of database legislation in US. The next section observes the debate in the context of alleged negative jurisprudence that developed from *Feist* decision.

4.0. Position of *Feist* in US Database Debate

There was a prolonged debate in US questioning the need for Database Right. It started in 1996 and lasted till 2004.⁷⁶² It was a debate between publishers and a group comprising of civil liberty organizations, library associations and scholars.⁷⁶³ This eight-year period saw number of attempts starting with the Database Investment and Intellectual Property Antipiracy Act Bill 1996, May 23, H.R. 3531, 104th Cong (introduced by Rep. Moorhead); Collections of Information Antipiracy Act, May H.R. 2652, 105th Cong; Consumer and Investor

⁷⁶⁰ 'H.R. 2281(used to be H.R. 2652): The Collections of Information Antipiracy Act' (*Association of Research Libraries*) available at <<http://www.arl.org/arldocs/pp/ppcopyright/copyresources/dbaseleg/105congress/myth.pdf>> (accessed 16 July 2010).

⁷⁶¹ The figures according to the GDD were over 8000 databases in the year 2004, First Evaluation of Directive 96/9/EC, para [4.4].

⁷⁶² The American database initiative started in 1996 in form of The Database Investment and Intellectual Property Antipiracy Act of 1996, House Bill 3531.

⁷⁶³ 'H.R. 2281(used to be H.R. 2652): The Collections of Information Antipiracy Act' (*Association of Research Libraries*) available at <<http://www.arl.org/arldocs/pp/ppcopyright/copyresources/dbaseleg/105congress/myth.pdf>> (accessed 16 July 2010); Jonathan Band, 'Armageddon on the Potomac The Collections of Information Antipiracy Act' (1999) *D-Lib Magazine* 5(1) available at <<http://www.dlib.org/dlib/january99/01band.html>> (accessed November 2010).

Access to Information Act, H.R 1858 (*Biley Bill*), 106th Cong 19th May 1999.⁷⁶⁴

The first database bill was introduced in the year 1996, and the entire period of database debate comprises of two stages. While the first stage began in 1996, the second stage commenced in 1998 and further continued for six years. It is noteworthy to understand the reason that led to the initial database debate because there was inaction for a period of five years after *Feist*.⁷⁶⁵ Similar to initial stages, it will be noteworthy to see whether *Feist* had a role to play at the later stages.

4.1. EU Influence at the Initial Stages

There was growth in US database market subsequent to *Feist* decision with no substantial sign of concern among publishers.⁷⁶⁶ If this understanding truly represents the situation with database production, then the utility of American database debate must be questioned.

In the white paper on *Intellectual Property and the National Information Infrastructure*, there was discussion about the possibility of having a world-wide database protection.⁷⁶⁷ The potential disparities in relation to database

⁷⁶⁴ Library of Congress: Bills, Resolutions available at <http://thomas.loc.gov/home/bills_res.html> (accessed 18 November 2010).

⁷⁶⁵ *Supra* section 2.

⁷⁶⁶ *Supra* section 3.

⁷⁶⁷ Working Group on Intellectual Property Rights, *Intellectual Property and the National Information Infrastructure* (September, 1995) available at <<http://www.uspto.gov/web/offices/com/doc/ipnii/>> (accessed 10 November 2010).

protection at an international stage were pointed out in the white paper.⁷⁶⁸ Suggesting harmonization as a solution to the potential problem, the paper proposed a protection at the Berne level and WIPO through a Berne Protocol or a New Instrument.⁷⁶⁹ Two months subsequent to the publication of this paper, Bruce Lehman, under the Clinton administration, wrote a letter to the Director General of WIPO, Dr. Arpad Bogsch on November 29th, 1995.⁷⁷⁰ As in the white paper, this letter proposed for an international protection of databases.⁷⁷¹ The communication, however, did not provide for any proposal of a new Database Right, and was “the first submission to WIPO” in relation to an international database treaty.⁷⁷²

Meanwhile, Europe made own submission for an international database protection at the WIPO. In December 1994, delegates of the European Commission informed the Committee at WIPO about the ensuing Database Directive in Europe, including the enactment of Database Right for protecting

⁷⁶⁸ While referring to the disparities, they were referring to the conflict of laws. “A user in France can access a database in the United States and have a copy downloaded to a computer in Sweden. Whose copyright law would apply to such a transaction? Because copyright laws are territorial, and the standards of protection embodied in the international conventions leave room for national legislative determinations, acts that may constitute infringement in one country may not be an infringement in another country.”, ‘Intellectual property and the National Information Infrastructure: The Report of the Working Group on Intellectual Property rights’ (*United States Patent and Trademark Office*, 8 January 2007) available at <<http://www.uspto.gov/web/offices/com/doc/ipnii/>> (accessed 10 December 2009).

⁷⁶⁹ Ibid, The paper, however, never described the Berne Protocol or the New Instrument; Wayman (n 629) page [445].

⁷⁷⁰ Letter from Bruce Lehman, Assistant Secretary of Commerce and Commissioner of Patents and Trademarks in Wayman (n 629).

⁷⁷¹ Ibid.

⁷⁷² Pamela Samuelson, ‘The U.S. Digital agenda at the World Intellectual Property Organization’ (1998) available at <<http://people.ischool.berkeley.edu/~pam/courses/cyberlaw98/docs/wipo.pdf>> (accessed 12 January 2011).

investments in non-original databases.⁷⁷³ The representatives of the European Commission in September 1995 presented a paper titled “The *sui generis* right provided for in the Proposal for a Directive on the legal protection of databases”.⁷⁷⁴ It was in February 1996, the European Commission provided for a proposal harmonizing Database Right at an international level. The proposal included substantive provisions of the treaty.⁷⁷⁵

In reply to EU’s proposal at WIPO, US submitted a treaty proposal on May 23, 1996.⁷⁷⁶ This was the ‘second submission’ of US at the WIPO. For the first time, US proposed for a Database Right at an international level.⁷⁷⁷ Based on the joint proposal submitted by Europe and the United States, a draft database treaty was formulated and distributed in September 1996. This draft treaty was shared among States, Government and Non-Governmental organizations with intention to discuss the same at the diplomatic conference in December 1996.⁷⁷⁸ At the diplomatic conference the issue of enacting database legislation

⁷⁷³ World Intellectual Property Organisation, ‘Basic Proposal for the Substantive Provisions of the Treaty on Intellectual Property in Respect of Databases to be Considered by the Diplomatic Conference’ (WIPO, 30 August 1996) available at <http://www.wipo.int/meetings/en/doc_details.jsp?doc_id=2487> (accessed 10 December, 2010)

⁷⁷⁴ Ibid.

⁷⁷⁵ The substantive clauses proposed were similar to the structure of the European Database Directive, World Intellectual Property Organisation ‘Proposal Submitted by the European Community and its Member States’ (WIPO, February 1996) available at <www.wipo.int/mdocsarchives/BCP_CE_VI_1996/BCP_CE_VI_13_E.pdf> (accessed 10 December, 2010); Wayman (n 629) pages [450]-[451].

⁷⁷⁶ Ibid.

⁷⁷⁷ Samuelson (n 772).

⁷⁷⁸ Diplomatic Conference on Certain Copyright and Neighboring Rights Questions: Basic Proposal for the Substantive Provisions of the Treaty on Intellectual Property in respect of Databases to be considered by the Diplomatic Conference (Geneva, December 2 to 20, 1996) available at <www.wipo.int/edocs/mdocs/diplconf/en/crn_rdc/crn_rdc_6.doc> (accessed 10 January 2010).

was not discussed, however, a recommendation concerning an international treaty on database legislation was adopted. The recommendation highlighted further preparatory work other than suggesting importance of databases.⁷⁷⁹ Starting from 1997 till 2005, the idea of an international treaty was contemplated at various meetings at WIPO but so far nothing of an international treaty concerning legal protection of databases has been adopted.⁷⁸⁰ There is no single reason for the situation with database legislation at WIPO. In the opinion of Davison there was no concentrated effort on one particular form of treaty.⁷⁸¹ Although there was obvious support from the European Union and its member States, there were many developing countries including India and China that opposed any change in the existing legal system without substantial evidence suggesting inclusion of *sui generis* Database Right.⁷⁸² Davison further suggested that concerns of the developing countries and countries that opposed Database Right should be addressed before an international treaty is adopted at the WIPO.⁷⁸³ These concerns mostly were related to access to information for educational, scientific and research purposes and information

⁷⁷⁹ Information Meeting on Intellectual Property in Databases: Existing National and Regional Legislation concerning Intellectual Property in Databases (Geneva, September 17 to 19, 1997) available at < http://www.wipo.int/edocs/mdocs/mdocs/en/db_im/db_im_2.pdf> (accessed 10 January 2010).

⁷⁸⁰ For instance, Standing Committee on Copyright and Related Rights: A Study on the Impact of Protection of Unoriginal Databases on Developing Countries: Indian experience (Geneva, may 13-17, 2002) available at < www.wipo.int/edocs/mdocs/copyright/en/sccr_7/sccr_7_5.pdf> (accessed 10 January 2010); Standing Committee on Copyright and Related Rights (Geneva, June 23 to 27, 2003) available at < http://www.wipo.int/edocs/mdocs/copyright/en/sccr_9/sccr_9_11.pdf> (accessed 15 January, 2010); Standing Committee on Copyright and Related Rights (Geneva, Nov 21 to 23, 2005) available at < www.wipo.int/edocs/mdocs/copyright/en/sccr_13/sccr_13_6.doc> (accessed 15 January 2010).

⁷⁸¹ Davison (n 72) page [231].

⁷⁸² Ibid, pages [231]-[233].

⁷⁸³ Ibid, page [234].

that are produced with public funds.⁷⁸⁴ This delayed the process and ultimately there was no consensus reached on the issue of an international treaty on the protection of non-original databases.⁷⁸⁵ Similar arguments were made by Annemarie Beunen.⁷⁸⁶

To understand the reasoning as to why the initiative at the WIPO did not materialize into an international treaty one has to divide the entire period of deliberations into number of stages. At the initial stages when the proposal was presented to the member countries at WIPO, sufficient time was not given to the participants.⁷⁸⁷ One can relate this to the subsequent event where the issue of database legislation was not at all discussed at the diplomatic conference in December 1996 for which it was slated.⁷⁸⁸ The deliberation on the topic only started once the Committee of Experts at the WIPO commissioned the International Bureau to prepare a document on the existing national laws and legislations protecting databases.⁷⁸⁹ The deliberation died down in 2005 with the withdrawal of the item of database legislation from the agenda list.⁷⁹⁰ It was a gradual process and was an outcome of anxiety and lack of participation involving a large number of countries. Anxiety resulted among countries

⁷⁸⁴ Ibid, pages [233]-[234].

⁷⁸⁵ Ibid, pages [233]-[234].

⁷⁸⁶ Beunen (n 72) pages [21]-[22].

⁷⁸⁷ The draft treaty was distributed amongst member countries in September 1996 for the December conference.

⁷⁸⁸ Information Meeting on Intellectual Property in Databases: Existing National and Regional Legislation concerning Intellectual Property in Databases (Geneva, September 17 to 19, 1997) available at < http://www.wipo.int/edocs/mdocs/mdocs/en/db_im/db_im_2.pdf> (accessed 15 January 2010).

⁷⁸⁹ Ibid.

⁷⁹⁰ Standing Committee on Copyright and Related Rights (Thirteenth Session, Geneva, November 21 to 23, 2005) available at < http://www.wipo.int/edocs/mdocs/copyright/en/sccr_13/sccr_13_6.pdf> (accessed 15 January 2010) (SCCR 13(6), November 2005).

because there was no clear indication of what might result out of implementing legislation protecting unoriginal databases.⁷⁹¹ For instance, the delegation of Indonesia representing countries in Asia and Pacific said that there is no clear indication of whether database legislation is required at national, regional and international level. In their opinion more information was required in the context of research, education and keeping data in the public domain.⁷⁹² Although Europe came out with Database Directive, there was no indicative result suggesting the benefit of such legislation. Other than presentations of the European member States suggesting that database legislation was helpful and provided extra incentive to the database producers, there was no empirical evidence corroborating the claims made in those presentations.⁷⁹³ United States presentations were equally not convincing, since there was nothing concrete in terms of results. US, in fact was still debating on the nature of protection.⁷⁹⁴ Therefore, it was difficult for them to suggest the right kind of protection.⁷⁹⁵ There was enough deliberation at the initial stages followed by regional studies, covering Asia, Pacific and developing countries but all of these did not go beyond the stage of reports.⁷⁹⁶ Broadly these reports suggested that

⁷⁹¹ Standing Committee on Copyright and Related Rights (Third Session, Geneva, November 16 to 20, 1999) available at <http://www.wipo.int/edocs/mdocs/copyright/en/sccr_3/sccr_3_11.pdf> (accessed 15 January, 2010) (SCCR 3(11), November 1999).

⁷⁹² Ibid.

⁷⁹³ For instance, Ibid; SCCR 3(11), November 1999 (n 791).

⁷⁹⁴ *Supra* section 4.

⁷⁹⁵ Davison (n 72) 232.

⁷⁹⁶ Standing Committee on Copyright and Related Rights: The Impact of Protection of Non-original Databases on the Countries of Latin America and the Caribbean (Geneva, November 4 to 8, 2002) available at <http://www.wipo.int/edocs/mdocs/copyright/en/sccr_8/sccr_8_6.pdf> (accessed 20 January 2010) ; Five studies commissioned by the Secretariat at WIPO by the following experts in India, Egypt, US, China and Denmark, Standing Committee on Copyright and Related Rights (Geneva, May 13 to 17, 2002)available at

the requirement of a Database Right was unproven.⁷⁹⁷ The fact that the issue of database legislation remained so long could possibly give the impression that issue of database was discussed till 2005.⁷⁹⁸ In reality, there was not much discussion after 2002.⁷⁹⁹ There was lack of participation and the reading of reports suggests that there was no initiative taken by member States to move the international treaty covering databases. The issue was left in the agenda for member States to share their ideas and experiences with reports covering production of databases in their respective countries.⁸⁰⁰

During the time of the debate at WIPO, Congressman Moorhead proposed for the Database Investment and Intellectual Property Antipiracy Bill in the US.⁸⁰¹ While there was a concentrated effort to execute international database legislation, publishers were heavily investing towards production of databases both in electronic and non-electronic format. For instance, the aforementioned sections suggest that Reed Elsevier was investing during the window of 1991-1996.⁸⁰² This shows in the period subsequent to *Feist* and first legislative bill in

<http://www.wipo.int/edocs/mdocs/copyright/en/sccr_7/sccr_7_10.pdf> (accessed 20 January 2010) (SCCR 7(10), May 2002).

⁷⁹⁷ Ibid.

⁷⁹⁸ SCCR 13(6), November 2005 (n 790).

⁷⁹⁹ SCCR 7(10), May 2002 (n 796); Standing Committee on Copyright and Related Rights (Geneva, November 4 to 8, 2002) available at

<http://www.wipo.int/edocs/mdocs/copyright/en/sccr_8/sccr_8_9.pdf> (accessed 10 January 2010); Standing Committee on Copyright and Related Rights (Geneva, June 23 to 27, 2003) available at <http://www.wipo.int/edocs/mdocs/copyright/en/sccr_9/sccr_9_11.pdf> (accessed 15 January 2010); Standing Committee on Copyright and Related Rights (Geneva, June 7 to 9, 2004) available at <http://www.wipo.int/edocs/mdocs/copyright/en/sccr_11/sccr_11_4.pdf> (accessed 10 January 2010).

⁸⁰⁰ Ibid.

⁸⁰¹ The Database Investment and Intellectual Property Antipiracy Act of 1996, House Bill 3531.

⁸⁰² *Supra* section 3.

US, that big players like Reed Elsevier had engaged themselves in business development. It is difficult to fathom that Reed Elsevier could have made those acquisitions if they were not fairly certain about protecting their investments.⁸⁰³ Therefore, the publishing industry, while making these investments must have been comfortable in the background of the apprehended piracy concern.

4.1.1. Database right triggered US debate

It is difficult to suggest that *Feist* could have been the starting point of the debate in US. Logically without enough protection in place, it is difficult to comprehend commercial investments towards databases. If any negative jurisprudence of *Feist* had been a reason to worry for publishers, then investments would not have taken place.⁸⁰⁴ There must have been enough incentive for producers, since a substantial period of inactivity existed after *Feist*.⁸⁰⁵

There was an overall acceptance of *Feist* decision as the law of the land, since there was limited consultation about enacting database legislation similar to the one in Europe.⁸⁰⁶ The passage of Database Directive in Europe acted as an example, and provided an opportunity to bypass *Feist* and enact similar database legislation in US. Going by the acceptance of *Feist* decision it is difficult to comprehend after *Feist*, publishers came to know about the existing

⁸⁰³ Reed Elsevier Annual Reports, *Supra* section 3.

⁸⁰⁴ *Ibid*.

⁸⁰⁵ *Supra* section 2.

⁸⁰⁶ Started with first proposal with the enactment of the Database Directive in 1996, (COM (92) 24 final) and Council Directive 96/9/EC.

law.⁸⁰⁷ In the previous chapter through several arguments we have come to the conclusion that *Feist* was a clarification and reinstatement of known position.⁸⁰⁸ As observed in the previous sections, publishers were investing in electronic publishing even after *Feist*, and there was no visible sign of any discomfort.⁸⁰⁹

At the initial stages of the American debate, Database Right could have been the only point of influence, since it has been established that *Feist* influence was not present.⁸¹⁰ The argument of influence of the EU Database Right is also strengthened for a different reason. The Database Right has a reciprocity provision, which meant that databases originating outside the EU could only be protected under Database Right, if there is a similar legislation in their country of origin.⁸¹¹ This implied that unless US thought of bringing about a Database Right, US databases would not receive protection in the EU.

Without the Database Right as a direct influence in American database debate, it seems that the prolonged debate could be different without such right in

⁸⁰⁷ *Supra* chapter I.

⁸⁰⁸ *Supra* chapter II.

⁸⁰⁹ The annual reports of Reed Elsevier stated in the chapter III.

⁸¹⁰ Dov Greenbaum, 'Are We Legislating Away Our Scientific Future? The Database Debate', (2003) 2 *Duke Law & Technology Review* 1-15, available at <<http://scholarship.law.duke.edu/dltr/vol2/iss1/20>> (accessed 7 October 2010); Xuqiong Wu, 'E.C. Data Base Directive' (2002) 17 *Berkeley Technology Law Journal* 571, 572 available at <<http://scholarship.law.berkeley.edu/cgi/viewcontent.cgi?article=1368&context=btlj>> (accessed 7 October, 2010).

⁸¹¹ Article 11, Council Directive 96/9/EC; Ewan J Nettleton and Harjinder S Obhi, 'Can US Companies Protect their Databases in Europe with Database Right' (2002) *CW* 121.

place. Other than influence of EU database legislation, there is a WIPO perspective attached to US database bill of 1996.⁸¹²

4.1.2. Presence of Database Right led to WIPO route

Through the process of harmonization at WIPO, there was a definite attempt to bring about database legislation.⁸¹³ As a WIPO signatory, any WIPO treaty would be incorporated in the US national law. The reason behind starting the WIPO initiative is less likely to be *Feist*, since the process did not start until about five years subsequent to *Feist* decision.⁸¹⁴ It could be that there was a different reason that triggered the WIPO process. There was no example of Database Right in the world until it was enacted in EU. In the US, the WIPO process was initiated in May 1996, and this step was subsequent to the enactment of European Database Directive in March 1996.⁸¹⁵ Therefore, the developments at WIPO resulted as a reaction to EU database legislation.⁸¹⁶ It is also clear that the chain of events happening at the WIPO around 1996 represents that the American effort was only as a reaction to the steps taken by Europe.⁸¹⁷ The database legislation in Europe was a major, and perhaps, the only influence that started database debate in US. As a result, the immediate

⁸¹² *Supra* section 4.1.

⁸¹³ *Ibid.*

⁸¹⁴ *Supra* section 2.

⁸¹⁵ 'US Copyright Office: Report on Legal Protection for Databases: August 1997' available at <<http://www.copyright.gov/reports/dbase.html>> (accessed 10 Jan 2011).

⁸¹⁶ Thakur (n 629) page [102].

⁸¹⁷ *Supra* section 4.1.

action in the US was to incorporate similar legislation through the WIPO route.⁸¹⁸

At the initial stage in 1996, there was no negative jurisprudence of the *Feist* case that pushed for database debate.⁸¹⁹ Effectively Database Right in EU took centre stage, instead of *Feist*. The interest for enacting database legislation in the US stemmed from the presence of Database Right in EU, and from a possible competitive disadvantageous position for US produced databases.⁸²⁰

Subsequent to the failure of an international database treaty at WIPO, two cases initiated the second stage of American database debate in 1997-98.⁸²¹ These decisions were based on the ruling of *Feist*. The next section observes the true basis of the American database debate at the second stage and involvement of any negative effect of *Feist*.

4.2 Fresh Arguments at Later Stages Without Actual Requirement

Database producers raised fresh arguments for database legislation in US subsequent to two US 2nd Circuit and 11th Circuit decisions in 1997-1998.⁸²² The decisions in *Warren Publishing* and *Mathew Bender & Co. v. West Publishing Co (Mathew Bender)*⁸²³ followed the principles of *Feist*. These decisions, especially the *Warren Publishing* case initiated the second string of

⁸¹⁸ *Ibid.*

⁸¹⁹ *Supra* sections 2 and 3.

⁸²⁰ Thakur (n 629) page [102]; Citing the competitive disadvantage, Tessensohn (n 454) page [466].

⁸²¹ *Infra* section 4.2.

⁸²² *Warren Publications* (n 568); *Mathew Bender & Co. v. West Publishing Co* 158 F 3d 693 (2nd Cir 1997).

⁸²³ *Warren Publications* (n 372); *Mathew Bender* (n 822).

database bill in 1998.⁸²⁴ The case of *Warren Publishing* has already been discussed in the previous chapter.⁸²⁵ This section will only consider the effect of *Warren Publishing* case, since the *Mathew Bender* case concerned similar situation.⁸²⁶

Due to the *Warren Publishing* case in 1997, the US Copyright Office, under the advice of Senator Orrin Hatch, published a report concerning the issue of database protection.⁸²⁷ It has been suggested that in terms of lobbying, publishers had negligible presence in Washington immediately after *Feist*.⁸²⁸ This proposition is incorrect since the publishers had their presence at that time. Under the aegis of the Information Industry Association in US, publishers did initiate the lobbying process in response to the European initiative surrounding the Database Directive.⁸²⁹ Further subsequent to the *Feist* decision

⁸²⁴US Copyright Office: Report on Legal Protection for Databases: August 1997' available at<<http://www.copyright.gov/reports/dbase.html>> (accessed 10 Jan 2011).

⁸²⁵ *Supra* chapter II, section 4.

⁸²⁶ In the case of *Mathew Bender* (n 822), *West Publishing* published compilations of case reports. The contentious issue in this case involved judicial opinions, which was claimed copyrightable by West. The 2nd circuit held that alterations undertaken by West in this regard involved the addition and arrangement of facts. In relation to arrangement, the effort on the part of West was merely re-arrangement of data in those judicial opinions. Thus, the only way to assess creativity in the compilation of West depended on selection or arrangement. In this context, such selection or arrangement lacked minimum creativity as it was obvious and typical and hence, there was no copyright infringement.

⁸²⁷ 'US Copyright Office: Report on Legal Protection for Databases: August 1997' available at <<http://www.copyright.gov/reports/dbase.html>> (accessed 10 Jan 2011).

⁸²⁸ Stephen M Maurer and others 'Europe's database right experiment (2001) 294 Science (26 October 2001) pages [769]-[770].

⁸²⁹ Steven J Metalitz, *Response of the Information Industry Association for the Hearing on Databases Chapter 6 of the Green Paper on Copyright and the Challenge of Technology* in Jon A Baumgarten (ed) *'Fact' and Data Protection After Feist* (Prentice Hall Law & Business, New Jersey 1991).

there was initiative on the part of the database providers.⁸³⁰ Therefore, the argument that publishers could not proceed with legislative proposals, since they were insufficiently equipped with lobbying strengths is questionable. After the EU Directive they had a stronger basis for having similar database legislation in the US.⁸³¹ A report funded by publishers suggests that even though empirical data after *Feist* decision confirms prosperity of US database market, such situation does not exclude the requirement of statutory protection of databases in the US. According to the report, database market developed in the US because publishers anticipated future legislative measures.⁸³² Although there was production after *Feist*, market performed at a sub-optimal level due to inadequate protection of comprehensive useful databases.⁸³³ Based on *Warren Publishing* case, the publishers demanded adequate database protection.⁸³⁴ A report in the Financial Times observed drop in share prices of Reed Elsevier.⁸³⁵

The above outlined comments highlight certain issues that came to forefront. *Feist* decision was back in the limelight as opposed to first database bill in the US.⁸³⁶ The arguments posed in favour of a new legislation were not based on sound reasoning. It was claimed that due to insufficient lobbying power,

⁸³⁰ Robert A Simons, *Industry Impact (Database Providers)* in Jon A Baumgarten (ed) *'Fact' and Data Protection After Feist* (Prentice Hall Law & Business, New Jersey 1991).

⁸³¹ Bitton (n 673) page [93] and [96].

⁸³² Tyson D'Andrea L and Sherry F E, 'Statutory Protection for Databases: Economic & Public Policy Issues' (*Information Industry Association*, 23 October 1997) available at <judiciary.house.gov/legacy/411118.htm> (accessed 10 March 2010).

⁸³³ *Ibid.*

⁸³⁴ 115F3d 1509 (11th cir 1997).

⁸³⁵ Raymond Snoddy, 'Reed Elsevier Shares Drop on US Legal Ruling' *Financial Times*, 23 May 1997.

⁸³⁶ More highlighted on the reasoning of European Database Directive, *Supra* section 4.1.

publishers were unable to proceed with database legislation, although there was anticipation about future database legislation in the US.⁸³⁷ This argument is weak and would essentially mean that only anticipation fuelled investment towards databases, even after six years subsequent to *Feist* decision.⁸³⁸

Database legislative efforts in US received vociferous opposition. The Collections of Information Antipiracy Act introduced in 1997 largely received criticisms. It was believed that the legislation appeased publishing houses.⁸³⁹ In particular, opposition was against LexisNexis (owned by Reed Elsevier) and West Publishing (owned by Thomson).⁸⁴⁰ Reed Elsevier and Thomson were also the leading proponents of database legislation in the US.⁸⁴¹ Starting from 1998 onwards the representatives of the districts of North Carolina and Virginia planned for different versions of bill in the House Judiciary Committee.⁸⁴² Although American organizations eventually joined the database debate, Reed Elsevier and Thomson were observed as the chief proponents in the debate.⁸⁴³ Interestingly, the Green Paper on Intellectual property developed by United States Government, which analyzed copyright issues in US, never discussed of

⁸³⁷ *Supra* (n 828) and Section 2.

⁸³⁸ *Supra* section 2.

⁸³⁹ Nelson (n 675) page [469].

⁸⁴⁰ *Ibid*.

⁸⁴¹ Bitton (n 673) page [109].

⁸⁴² H.R. 354, (Collections of Information Antipiracy Act, H.R. 354, 106th Cong. (1999)) was introduced by Representative Howard Coble (6th District of North Carolina), and H.R. 1858 (The Consumer and Investor Access to Information Act, H.R. 1858, 106th Cong. (1999)) was introduced by Representative Tom Bliley (7th District of Virginia) in Jonathan Band and Makoto Kono, 'The Database Protection Debate in the 106th Congress' (2001) 62(2) Ohio St L J 869

⁸⁴³ Davison (n 72) pages [261]-[263]; see (n 699) ; For instance, New York Stock Exchange, NASDAQ in Jonathan Band and Makoto Kono (n 842).

adopting something similar to the European Database Directive.⁸⁴⁴ Further, the US Chamber of Commerce opposed database legislation and was supported by Dun & Bradstreet, Bloomberg and AT&T.⁸⁴⁵ Over the eight years period the opposition grew against any form of database legislation in US.⁸⁴⁶

As to the *Warren Publishing* case, opponents argued that the eleventh circuit reached to a wrong conclusion by misapplying copyright law.⁸⁴⁷ Besides, there is a requirement to judge the decision of *Warren Publishing* in the context of preferred business policies in the internet. The opposition to database debate in US argued that the internet age, forced publishers to review their business models and strategy.⁸⁴⁸ Cases, similar to the one in *Warren Publishing*, are example of publishers who failed to meet the requirement of the information age. These decisions do not highlight the problem of data piracy, but only reflects the inability of the business model to compete with market requirement in the information age.⁸⁴⁹ Introduction of new legislation is not desirable to protect publishing industries that are not competent enough to survive market

⁸⁴⁴ Howard Fogt and others' 'An American view on the EU Database Directive' (1995) 46 *Managing Intellectual Property* 33, 33; Lisa Barr, 'Database Protection Bill' (1997-98) 8(2) *DePaul-LCA J Art & Ent* 371.

⁸⁴⁵ Chamber raises concern over database legislation' (*US Chamber of Commerce*, 22 September 2003) available at <<https://www.uschamber.com/press-release/chamber-raises-concern-over-database-legislation>> (accessed 10 August 2011).

⁸⁴⁶ Jonathan Band and Makoto Kono (n 842)

⁸⁴⁷ This case was especially considered by the proponents of the database bill in 1998. The opponents did concede that *Warren Publishing* was wrongly decided but argued that one decision does not call for new legislation; *Supra* (n 763).

⁸⁴⁸ Bitton (n 673) pages [132]-[133].

⁸⁴⁹ *Ibid*, page [169].

transformation.⁸⁵⁰ With publishers unwilling to change, there was no need for protection.⁸⁵¹ The aforementioned information is further analyzed in the following sections.

4.2.1. No Feist Reasoning for Database Legislation Claim

Feist returned to the forefront after a period of seven years.⁸⁵² The opponents said that there was no need for legislation⁸⁵³ and finds support in the ever-growing US database market.⁸⁵⁴ On the other hand, proponents argued that database market in US was performing below par in absence of legislation.⁸⁵⁵ One has to remember that the claim of market performance at 'sub-optimal' level was contradictory, since the report funded by publishers admitted that the effect of *Feist* towards this alleged sluggish performance was inconclusive.⁸⁵⁶ In the background of ever-growing database industry, the claim of sluggish growth is not convincing. Regardless of expected level of production, influence of *Feist*

⁸⁵⁰ In the words of David Fewer, "Legislating windfalls and sheltering markets from the rigours of competition through *sui generis* property rights, especially in the absence of market failure or a pressing social need, cannot be easily squared with traditional notions of democratic governance and responsible policy-making", Fewer (n 741) pages[165] and [180].

⁸⁵¹ Bitton (n 673) page [169].

⁸⁵² *Supra* section 4.2.

⁸⁵³ *Supra* (n 845).

⁸⁵⁴ *Supra* section 3.

⁸⁵⁵ (Reference to the words use by register of copyrights) Submission of David O Garson and the contemplation of a gap in the database market, which is difficult to fill up with technology, Carson O D, 'General Counsel, United States Copyright Office before the Subcommittee on courts, the internet and Intellectual Property Committee on the Judiciary and Subcommittee on Commerce, Trade and Consumer Protection Committee on Energy and Commerce, 108th Congress' (*United States Copyright Office*, 23 September 2003) available at <<http://www.copyright.gov/docs/regstat092303.html>> (accessed 15 September 2009);

However, Carson statement, representing the US Copyright Office did not take a position on database legislation in US, although the Copyright Office was sympathetic to the efforts made.

⁸⁵⁶ Tyson and Sherry (n 832).

in the possible problem of market performance is inconclusive.⁸⁵⁷ Moreover, the value of database legislation is questionable when market is performing without any negative impact from *Feist* decision.⁸⁵⁸ The enactment of database legislation in US, merely because of a reciprocity clause in Europe, is questionable.⁸⁵⁹ Even after the passage of seven years subsequent to the last American debate, there is unlikely to be any change in the status of US database market.

4.2.2. Marginal requirement of a specific legislation for databases

Fresh legislative initiative because of the decisions based on the guiding principles of *Feist* is questionable, since there was no fear and visible negative effect among publishers.⁸⁶⁰ Although one must take into account any change in circumstances, repercussions of these cases are unlikely, since *Feist* had negligible effect.⁸⁶¹

⁸⁵⁷ *Ibid.*

⁸⁵⁸ It is arguable to have special database legislation in place under these current circumstances even though other existing means may not provide full proof solution. Jane Ginsburg argues that there is the need of carefully carving out a solution measure for database protection and such solution should also consider the problems associated with the *sui generis* database legislation in Europe, Jane C Ginsburg, 'A marriage of convenience? A comment on the *Protection of Databases*' (2007) 82 (3) *Chicago-Kent L Rev* 1171, 1178.

⁸⁵⁹ As per the reciprocity clause EU database protection is afforded to developers belonging to countries with similar protection, Article 11, "Beneficiaries of protection under the *sui generis* right" and Recital 56, Council Directive 96/9/EC; Reciprocity clause means It means unless a foreign country "...offer comparable protection to databases produced by nationals of a member State or persons who have their habitual residence in the territory of the Community". The publishing industry may have wished for database legislation, alongside music and films, William R Cornish, *Intellectual Property: Omnipresent, Distracting, Irrelevant?* (2004, Oxford University Press) 38.

⁸⁶⁰ *Supra* section 3.

⁸⁶¹ *Supra* chapter II.

There are two possible ways of analyzing the database legislation campaign in US. One of the possible interpretations is that companies were actually suffering, since the decision of *Feist*. Therefore, at the opportune moment, they campaigned for Database Right in US to end their sufferings. The other interpretation is that publishers wanted the legislation even though there was not any apparent need for such legislation for protecting their investments.

As to the first reason, it is difficult to comprehend possible sufferings after *Feist*. This argument is not logical because companies continued with profit making and further investments.⁸⁶² Further the databases produced by them were unlikely to be affected.⁸⁶³ When these companies campaigned for database legislation, the reason behind such campaign was not merely for protecting their investments. Therefore, the second interpretation is the most reasonable explanation that justifies the campaign for database legislation in US.

The newspaper report that focused on share prices of Reed Elsevier is questionable. Reed Elsevier confirmed that drop in share price and the case of *Warren Publishing* are two separate incidents.⁸⁶⁴ This observation is interesting as there was no negative effect in case of Reed Elsevier, although all these companies belong to similar publishing business.⁸⁶⁵ The reason behind such difference in impact may be due to the business models adopted by

⁸⁶² *Supra* section 3.

⁸⁶³ *Supra* section 3.1.1.

⁸⁶⁴ Snoddy (n 835).

⁸⁶⁵ *Supra* section 3.

companies. We have noticed that to suit electronic age, Reed Elsevier developed new business models during the transition from print to electronic media. If the Annual Reports of Reed Elsevier for 1997-98 are considered, one clearly observes a shift in business policy in the context of changes required in the electronic age.⁸⁶⁶ The adopted business method in *Warren Publishing* case was not similar to the standard adopted by Reed Elsevier. Warren published a directory comprising of information about US cable television network. The directory was non-electronic in nature, something similar to the type of telephonic directory that was published by Rural publishing in the *Feist* decision.⁸⁶⁷ This was not however the trend adopted by publishing houses at the time of the decision in *Warren Publishing*. Publishing houses, including Reed Elsevier, and Thomson were engaged in manufacturing products that heavily depended on existing technology.⁸⁶⁸ Greater emphasis was placed on the presentation of information contrary to just relying on mere collection of information as was done by Warren.⁸⁶⁹ It is clear that Warren was relying on outdated business methods. This policy would have eventually decreased their market competitiveness, and was not sustainable for a long time.⁸⁷⁰ This situation indicates that business houses were lagging behind in adopting new business methods that were imperative to sustain themselves in the internet

⁸⁶⁶ Reed Elsevier annual report 1997 (n 729).

⁸⁶⁷ *Feist Publications* (n 4).

⁸⁶⁸ 'Thomson annual report 1998' available at <
https://bib.kuleuven.be/files/ebib/jaarverslagen/Thomson_1998.pdf> (accessed 10 December 2010).

⁸⁶⁹ Reed Elsevier annual report 1997 (n 729).

⁸⁷⁰ Bitton (n 673) page [146].

age.⁸⁷¹ The business policy followed by Reed Elsevier should be taken as the standard approach by the publishing industry. It is correct that outdated business model cannot be a good justification for new legislation.⁸⁷²

Reed Elsevier, with modern business policy, was more suitable to adapt to changes required, unlike companies like Warren Publishing. As one of the chief proponents Reed Elsevier, instead of Warren Publishing, was leading the argument of database legislation in US.⁸⁷³ Under these circumstances, one has to question the interest of Reed Elsevier in database legislation, since their business largely remained unaffected.⁸⁷⁴ In the same context, there is no explanation as to why cases like *BellSouth* case, which is similar to the decision in *Warren Publishing*, never prompted for database legislation in US.⁸⁷⁵ Moreover, there was no pressing need for database legislation after the decision in *Feist*.⁸⁷⁶ Again, one observes no real position of *Feist* or the new cases in the second stage of American database debate.

⁸⁷¹ Ibid.

⁸⁷² In agreement with Bitton (n 673) page [169].

⁸⁷³ *Supra* (n 841).

⁸⁷⁴ *Supra* section 3.

⁸⁷⁵ One has to remember that *Warren Publishing* and the case I am referring to reach the same conclusion, although different approach was followed. In the case of *Bellsouth Advertising & Publishing* (n 563) the 11th circuit held that the act of inserting the information in the yellow pages telephone directory in a computer did not constitute any infringement. The claimant said that selection has been made by following certain parameters and the listings were not exhaustive. Nevertheless, the court held that the selection level did not meet the requirement of *Feist*. The decision of this case is questionable, since the 11th circuit court in *Southern Bell Telephone* (n 563) page [809] found copyright infringement in yellow pages directory. In this case, the *Feist* criteria was fulfilled by "...preparing artwork and layout, and in the selection, compilation and arrangement of the information contained therein".

⁸⁷⁶ Ian Kyer and Steve Moutsatsos, 'Database Protection: The Old world heads off in a new direction' (1993) 9(1) CLSR 11; Shelly Warwick in her PhD thesis have successfully argued that there was little evidence to support the need to provide greater legal protection for factual

It has been argued that publishers were suffering because of inadequate lobbying strength. In other words, *Feist* was a concern for proponents, but inaction for five years was due to less lobbying strength of publishers in Washington.⁸⁷⁷ This proposition contradicts logic behind continuous investments that took place for five years before the first database bill in 1996.⁸⁷⁸ Going by the 'less lobbying strength' argument, apparently it seems that publishers consumed losses due to weak lobbying strength, which curiously got momentum after the EU Directive. From commercial viewpoint, it is unthinkable that publishers were investing without being sure of protecting their investment.⁸⁷⁹ Proponents have established a link between continuous investment and future database legislation, which was anticipated in US. The link between the two is unlikely, since it takes considerable length of time to pass legislation in US Congress.⁸⁸⁰ Moreover, this argument essentially

works subsequent to the *Feist* decision, especially in the presence of available legal and technological protection. Based on *Feist* enacting database protection law in US would be unnecessary, unconstitutional and poor policy, Shelly Warwick, 'The Judicial Influence and Policy Implications of *Feist* in regard to the protection of Databases and Compilations' (PhD thesis, Graduate School- New Brunswick, Rutgers, The State University of New Jersey 1999); Similar contention has been raised , while using trespass to chattels in solving database protection case (*eBay v Bidders' Edge* 100 FSupp 2d 1058(ND Ca 2000)) and Computer Fraud and Abuse Act as amended in 1996 (*Register.com v Verio* 126 F Supp 2d 238(SNDY Dec 12 2000), Jonathan Band, 'New theories of database protection'(March 2003) Managing Intellectual Property 1; Contrary to the above outlined viewpoints legislation has been regarded as the way after the *Feist* decision, James E Schatz and others, 'What's mine is yours? The dilemma of factual compilations'(1991-92) 17(2) U Dayton L Rev 423,439-440; In the absence of empirical evidence, the proposition that there is a problem with database protection, is unclear, Lipton (n 184) pages [773]and [825].

⁸⁷⁷ *Supra* section 2.

⁸⁷⁸ *Supra* sections 2 and 3.

⁸⁷⁹ *Supra* section 3.

⁸⁸⁰ The database debate continued for a period of more than eight years.

indicates that publishers would wait for future database legislation to protect their current investments.

The aforementioned analysis represents the negative substantial influence of *Feist* jurisprudence on the production of databases. Argument concerning role of 'sweat of the brow' theory in the production of databases is not conclusive. Subsequent to *Feist*, there was no sign of urgency in US and hence there was a period of five years of inaction. Finally, there was no role of *Feist* decision in the American database debate, and such debate resulted even without an actual requirement of legislation.

CHAPTER IV

THRESHOLD OF COPYRIGHT PROTECTION

ADOPTED FOR DATABASES IN EUROPE

The harmonization of copyright protection for databases was performed in the background of uncertainty with the threshold of originality in Europe.⁸⁸¹ Further, *Feist* decision suggested that compilations must be original by virtue of selection or arrangement of contents to merit copyright protection.⁸⁸² The Directive left the meaning assigned to author's own intellectual creation undefined after the harmonization. At the European level, CJEU interpreted the scope of Article 3 in *Football Dataco* decision.⁸⁸³ According to CJEU there are certain guidelines to be followed by a database to merit protection, but the threshold should be decided by the courts in member States.⁸⁸⁴ The CJEU held that scope of Article 3 is limited to storage and processing of existing data.⁸⁸⁵ Article 3 does not apply to creation of data but to the creativity towards selection or arrangement of existing data.⁸⁸⁶ As to the threshold, the courts in member States have converged to a uniform standard.⁸⁸⁷ Example of member

⁸⁸¹ Article 3, Council Directive 96/9/EC.

⁸⁸² *Feist Publications* (n 4).

⁸⁸³ *Infra* section 2.

⁸⁸⁴ *Ibid.*

⁸⁸⁵ *Ibid.*

⁸⁸⁶ *Ibid.*

⁸⁸⁷ *Infra* section 3.

States suggests that modicum of creativity and non-obvious compilations are two important parameters to meet the threshold requirement.⁸⁸⁸

1.0 Interpretation of Article 3 through *Football Dataco* in England

The explanatory memorandum to the first draft proposal was concerned about the originality requirement that *Feist* had brought in the realm of copyright law.⁸⁸⁹ In this context, it would be worthwhile to note the threshold of originality required under Article 3 of the Database Directive. Although the Article talks about AOIC towards selection or arrangement of contents, the Directive has been silent about the threshold required for a database to merit copyright protection.⁸⁹⁰

It was only after CJEU's interpretation in *Football Dataco* case that the scope of Article 3 became clear.⁸⁹¹ The decision involved copyrightability of a fixture list. The Court of Appeal in England decided to refer this case to the CJEU for further clarification after the preliminary judgement.⁸⁹² As a part of organizing football matches in England and Scotland, *Football Dataco* Limited published annual fixture lists. The publication involved a two-step process including use of computer software in the second step.⁸⁹³

⁸⁸⁸ *Infra* section 3.

⁸⁸⁹ (COM (92) 24 final), para [2.3.3]

⁸⁹⁰ Article 3, Council Directive 96/9/EC.

⁸⁹¹ *Football Dataco* (n 58).

⁸⁹² *Football Dataco Ltd v Yahoo!UK Ltd* [2010] EWCA Civ 1380, [2011] ECDR 9; Article 3 of the Database Directive has been incorporated in the UK under Section 3A of the Copyright, Patents and Design Act, 1988.

⁸⁹³ *Football Dataco 2* (n 58).

The first step was further divided into three stages. It began by drawing fixture schedule or outline fixture list. This schedule simply listed the dates and optional dates, which were available for holding future matches, and did not involve details of clubs. While deciding dates, officials followed three basic parameters, namely: the start and end of season, total number of matches, and international schedule, alongside other national commitments.⁸⁹⁴ At the second stage, clubs used questionnaires to convey their requests for “specific date”, “non-specific date” and “pairing” in the context of their home and away matches.⁸⁹⁵ These requests dealt with particular date, particular time on a non-specific date, and pairing. The completed questionnaires were then reviewed by the leagues.⁸⁹⁶ At the final stage, the complex process of ‘sequencing and pairing’ was carried out. With the objective to perfect home and away sequence, ‘Golden rules’ were followed for sequencing the fixture.⁸⁹⁷ Ultimately, through sequencing, *Football Dataco* met most specific requests made by clubs at the second stage.⁸⁹⁸ In the pairing grid, potential dates clash were retrieved from the sequence and marked with team names. Amendments were carried out to balance ‘date clash’ and meet specific date request.⁸⁹⁹ After the completion of aforementioned stages, a computer program was used to

⁸⁹⁴ *Football Dataco 2* (n 58), paras [12]-[13].

⁸⁹⁵ *Ibid*, para [14].

⁸⁹⁶ *Ibid*.

⁸⁹⁷ Golden rules: “i) No club shall have 3 consecutive home or away matches (i.e. no HHH or AAA); ii) In any five consecutive matches no club shall have four home matches or four away matches (eg AAHAA) is not permissible ; iii) As far as possible, each club should have played an equal number of home and away matches at all times during the season; iv) All clubs should have as near as possible an equal number of home or away matches for mid-week matches”, *Football Dataco 2* (n 40) para [10]; *Ibid*, paras [15]- [21].

⁸⁹⁸ *Ibid*.

⁸⁹⁹ *Football Dataco 2* (n 58) paras [15] - [21].

produce readable draft of the fixture list from information stated in the pairing grid and sequencing sheet.⁹⁰⁰ The preparation of Scottish fixture league was similar to the English fixture.⁹⁰¹

The defendants, comprising of a media company, and two betting companies were involved in exploiting the fixture lists without a valid license from *Football Dataco*. The claimant alleged infringement on three grounds. First, there was infringement of copyright protection of database, which subsists under section 3A of CPDA.⁹⁰² Alternatively, there was infringement of Database Right under Article 7.⁹⁰³ Further, the claimants suggested since the fixture list in question is a literary work, there was an additional copyright infringement. Alternatively, fixture lists are tables or compilations other than databases and thus, copyright subsist in such list irrespective of database protection. Both parties accepted that a fixture list is a database under Article 1 of the Database Directive.⁹⁰⁴

The Court in England was of the opinion that there was no infringement of Database Right in the fixture list, and no copyright infringement subsisted in an

⁹⁰⁰ Ibid, para [22].

⁹⁰¹ Ibid, para [23].

⁹⁰² Council Directive 96/9/EC; In fact, Football Dataco Limited has been trying to invoke licenses on the basis of copyright ever since the BHB decision, Sarah Wright and Priya Vatvani, 'Death of the Database Right' (2005) 153 CW 8.

⁹⁰³ Ibid; Article 7 conferring Database Right protection to a database maker has been incorporated in the UK under the Copyright and Rights in Databases Regulations 1997/3032 (CRDR).

⁹⁰⁴ *Football Dataco 2* (n 58); The ECJ in the case involving Fixture Marketing case [Organismos (n 30)], said a fixture list comes under the definition of database under Article 1 of the Directive, 42; Article 1 or the definition of database has been incorporated in the UK under CPDA, Section 3.

individual fixture list.⁹⁰⁵ Further, there is no separate copyright protection for a fixture list under the category of table or compilations. The only available protection is under database copyright which was section 3A.⁹⁰⁶ Similarly, there is no copyright protection for individual fixtures.⁹⁰⁷ Protection is only available through selecting or arranging them together in a database.⁹⁰⁸ By far the most important part of the decision was in the context of protection afforded under section 3A, and threshold requirement for copyright protection. At the preliminary level, Court ruled in favour of *Football Dataco*, citing that the defendants had infringed copyright protection for databases, which subsists under section 3A.⁹⁰⁹

The Court held that the two-step approach followed to complete the entire work of producing the fixture list was not predictable. Makers of fixture list had carved out a unique solution for a unique challenge, i.e. fixture list for a particular year. The method adopted in this fixture list was a solution only applicable to current fixture, and may not be a solution for a different fixture. Therefore, no rigid criterion could have helped in this situation. Production of fixture was not merely an outcome of labour but there was sufficient creativity to merit copyright protection. This is unlike a telephone directory where there is no scope to show judgement and skill, although at the first step of production, the

⁹⁰⁵ *Football Dataco 2* (n 58).

⁹⁰⁶ *Ibid*, paras [67] – [68].

⁹⁰⁷ *Ibid*, para [69].

⁹⁰⁸ *Ibid*.

⁹⁰⁹ *Ibid*, para [101].

Court was content with the amount of effort expended in creating outline of preliminary fixture.⁹¹⁰

While interpreting Article 3, the Court observed that selection or arrangement of pre-existing data is covered within the ambit of said Article. Selection decisions taken at the time of creating data, “which necessarily involve adopting one alternative and rejecting others, are properly to be regarded as part of the selection or arrangement of the contents of a database.”⁹¹¹ Thus, selection decisions concerning creation of contents should come under overall selection or arrangement in creating the final database. Leaving out initial selection decisions from overall selection or arrangement would be “...arbitrary and conceptually fraught with difficulty”.⁹¹²

Further, Floyd J referred to Recital 19 of the Database Directive, and to the jurisprudence that had developed from decisions of European Courts.⁹¹³ According to him, it is essential to question “whether the work of selection and arrangement was author’s own intellectual creation. In particular, whether it

⁹¹⁰ *Football Dataco 2* (n 58) paras [41] - [44].

⁹¹¹ *Ibid*, para [74]; This view point is also expressed in the seminal article of Robert Denicola where he says that “the effort of authorship can be effectively encouraged and rewarded only by linking the existence and extent of protection to the total labour of production. To focus on the superficial form of the final product to the exclusion of the effort expended in collecting the data presented in the work is to ignore the central contribution of the compiler”. Robert Denicola (n 359) page [530]; The basis, however, is labour and not adoption of creativity in selection or arrangement as expressed in the *Dataco* case.

⁹¹² Floyd J in *Football Dataco 2* (n 58) para [82].

⁹¹³ *Ibid*, paras [83]-[90].

involved author's judgement, taste and discretion"?⁹¹⁴ In addition, "[is] the work quantitatively sufficient to attract copyright protection"?⁹¹⁵ Therefore, Floyd J believed that threshold requirement of AOIC should be based on both qualitative and quantitative criteria. He based his argument on Recital 19 of the Database Directive which read:

“...as a rule, the compilation of several recordings of musical performances on a CD does not come within the scope of this Directive ... because, as a compilation it does not meet the conditions for copyright protection”.⁹¹⁶

Floyd J said that there is a 'quality' requirement in the Recital. This quality would be missing from a CD comprising of several musical recordings. However, the Recital does not say anything explicit about the requirement to meet the threshold of quality. Floyd J also referred to a passage of a book written by Sir Hugh Laddie, Peter Prescott & Mary Vitoria.⁹¹⁷ In this passage, the authors pointed to the possibility that a quantitative factor is attached to the threshold of selection or arrangement. A subjective contribution describing creativity of the author must be accompanied with qualitative requirement. Citing the example of a 1000 favourite poems of an author, Floyd J said that such a database would pass both qualitative and quantitative test to merit

⁹¹⁴ Ibid, para [91].

⁹¹⁵ Ibid.

⁹¹⁶ Council Directive 96/9/EC.

⁹¹⁷ Sir Hugh Laddie and others, *The Modern Law of Copyright and Designs* (3rd edn Butterworths 2000)1068-1071.

copyright protection under Article 3.⁹¹⁸ A database comprising of 1000 favourite poems both qualitatively and quantitatively would involve a substantial creative contribution.⁹¹⁹ Number of poems holds the key, since the Recital only restricts protection to ‘several’ recordings.⁹²⁰ Based on Recital 19, Floyd J. thus introduced a quantitative test to meet the threshold requirement of AOIC.⁹²¹

Other than introducing quantitative test, Floyd J referred to couple of case law to reflect on the threshold requirement. The case of *Infopaq International A/S v. Danske Dagblades Foreing (Infopaq)* decided by the ECJ concluded on a note that extraction of 11 consecutive words of a protected work might constitute infringement under Article 2 of Directive 2001/29, however, it does not always constitute infringement.⁹²² Floyd J said that AOIC could have a less stringent threshold “if that extract [ion] contains an element of the work which, as such, expresses the author’s own intellectual creation”.⁹²³ He then referred to the decision of German Court in *Pharma Intranet Information AG v. IMS Health GmbH & Co. OHG*.⁹²⁴ In the context of this case, Floyd J suggested that there is a difference between pure deterministic work and a work protected under Article 3. To merit protection, there should be an opportunity to manoeuvre the

⁹¹⁸ It must be remembered that the Directive explicitly said: “no criterion other than originality in the sense of the author's intellectual creation should be applied to determine the eligibility of the database for copyright protection, and in particular no aesthetic or qualitative criteria should be applied”, Recital 16, Council Directive 96/9/EC.

⁹¹⁹ Laddie and others (n 917) page [1070].

⁹²⁰ The meaning of several is more than two but not many; Oxford Online Dictionary available at <<http://oxforddictionaries.com/>> (accessed 12 January 2012).

⁹²¹ *Football Dataco 2* (n 58) para [91].

⁹²² Case C-5/08 *Infopaq International A/S v Danske Dagblades Foreing* [2009] ECDR 16, page 261; Why it does not always constitute infringement, refer *Infra* pages [184] and [185].

⁹²³ *Ibid*, para [87].

⁹²⁴ [2005] ECC 12.

creative mind by showing intellectual ability. There is not much room required to manoeuvre a work to merit protection.⁹²⁵ Before we go through observations made by CJEU, comments made by Floyd J gave some interesting insights about the threshold requirement.

1.1 Predictable Selection Process Discarded

The judgement clearly identified the type of work, and overall intellectual ability required on the part of author.⁹²⁶ Floyd J discarded ‘sweat of the brow’ argument as a basis for copyright protection of databases.⁹²⁷ Merely based on ‘sweat of the brow’ argument an obvious selection or arrangement in a database would not receive copyright protection. There is no scope for including obviousness within the ambit of copyright protection.⁹²⁸ Given the intellectual requirement, Floyd J did not explicitly state the tool to assess such intellectual ability.⁹²⁹ The database in question should reflect the nature of intellectual ability that suffices the requirement of copyright protection.⁹³⁰ In the course of his judgement Floyd J did however say that there should be room to manoeuvre at the time of making a database.⁹³¹ This statement suggests that there must be more than one way to represent the contents of a database. If

⁹²⁵ *Football Dataco 2* (n 58) para [90].

⁹²⁶ *Football Dataco 2* (n 58).

⁹²⁷ *Ibid*, paras [42]-[43] and [82].

⁹²⁸ *Ibid*.

⁹²⁹ *Ibid*, para [90].

⁹³⁰ *Ibid*, paras [89]-[91].

⁹³¹ *Ibid*.

the expression is limited to one way then there is no scope to manoeuvre, thereby resulting in obvious selection or arrangement of the contents.⁹³²

A second perspective relates to the position of a database maker. The scope of possible maneuvering the contents of a database is quite important from the point of a second comer who would like to express the contents of a database in a way which is different from the maker of first database.⁹³³ If no such scope exists, then the outcome of such selection or arrangement would be similar to the first database maker. Therefore, the expression would not be a true reflection of the intellectual ability of the second comer. The intellectual ability of the second person should be distinctly identifiable from the first person.⁹³⁴

The case also identified role of a non-human tool that plays a vital role in the making of a database. At final stages of making the fixture list, a computer program helped to produce readable fixtures from the sequence sheet and pairing grid.⁹³⁵ This raises the issue of an acceptable role of a machine at the time of assessing extent of creativity present in a database. The first draft proposal saw the role of computers in the making of electronic databases. According to the proposal, there would be selection process on the part of author despite of using computer technology at some stage of making the

⁹³² This is an objective requirement unlike the subjective requirement under author's right system, Ramon Casas Valles, *The requirement of originality in Estelle Derclaye* (ed), *Research Handbook on the future of EU Copyright* (Edward Elgar 2009); Gervais (n 460) page [952].

⁹³³ *Football Dataco 2* (n 58) paras [83]-[90].

⁹³⁴ *Ibid.*

⁹³⁵ *Football Dataco 2* (n 58) para [37].

database.⁹³⁶ The role of computers is inevitable and the fact that a computer is used in a database does not altogether exclude a database from protection offered under Article 3.⁹³⁷ Even while using computer technology, there would be necessary selection or arrangement to suffice the requirement of creativity. The selection or arrangement process in an electronic database may happen at various stages.⁹³⁸ From the first chapter it is clear that the entire process of database management would involve certain skill sets on the part of a database maker.⁹³⁹ In the present case, it was contended that in most situations a computer would fail to provide an ideal solution to a given problem and thus, human intervention is required to resolve such problems.⁹⁴⁰ Therefore, the argument of the Court in saying that using computer as a tool does not altogether eliminate the role of discretion or judgement is viable as long as there is enough scope to incorporate discretion and judgement sufficient to merit copyright protection.⁹⁴¹ It is clear that there was enough maneuvering ability possible in the steps that were followed prior to using computer for the fixture list.⁹⁴² With the available scope of maneuvering ability the use of computer at a later stage became an irrelevant question. It is also true that a computer can perform all steps that were followed in the preparation of a fixture list if it is programmed accordingly. This would be a departure from the Court's understanding that a computer could not have performed the entire process of

⁹³⁶ (COM (92) 24 final), para [3.1.8].

⁹³⁷ Council Directive 96/9/EC.

⁹³⁸ *Supra* chapter 1, section 6.1.

⁹³⁹ *Ibid*.

⁹⁴⁰ Mr. Glen Thompson representing the claimants and was the person engaged in pairing and sequencing, *Football Dataco 2* (n 58) para [15].

⁹⁴¹ *Football Dataco 2* (n 58) para [44].

⁹⁴² *Football Dataco 2* (n 58) paras [15]-[21].

creating a fixture list.⁹⁴³ Therefore, the issue was not whether a computer can perform the steps that were followed by humans, but much rather was whether humans used enough discretion and judgement within the given available opportunity.

1.2. Scope of Recognized Creativity is Broad

There is some case precedence to the idea that selection or arrangement process starts prior to incorporation of contents in a database.⁹⁴⁴ In *Football League Limited v. Littlewoods Pools* [1959], a football fixture was held to be copyrightable by virtue of being a literary work under the Copyright Act of 1956.⁹⁴⁵ Labour and skill that facilitated in deciding the day and date of the match was relevant in the context of overall labour and skill expended towards the production of the fixture list. Upjohn J. said there was no need to dissect effort; instead any effort leading to final creation of the fixture list was included in overall effort.⁹⁴⁶

Although both Floyd J. and Upjohn J. agreed on the inclusion of prior effort, in the Football *Dataco* case, only prior intellectual effort concerning the creative selection or arrangement of contents was relevant.⁹⁴⁷ Unlike the decision in *Football League Ltd* case, Floyd J. did not consider effort as an argument for

⁹⁴³ Ibid, para [86].

⁹⁴⁴ Ibid, para [82].

⁹⁴⁵ [1959]1 Ch 637.

⁹⁴⁶ Ibid, 656.

⁹⁴⁷ *Football Dataco 2* (n 58) para [82].

copyright protection.⁹⁴⁸ There was no place for ‘sweat of the brow’ in *Football Dataco*.⁹⁴⁹ Therefore, Floyd, J. differed on the type of effort that should be considered in a particular work. By designating type of creativity, he raised a fundamental question about accepting ‘sweat of the brow’ as an argument for databases to merit copyright protection.

Other than type of creativity, *Football Dataco* decision touched upon the issue of ‘timings of creativity’. The recognition of prior creative work should be an accepted norm for any work that merits copyright protection.⁹⁵⁰ Disregarding prior work would actually severe creativity that goes into any work at the inception stage. Also it is difficult to segregate one set of creativity that starts a work from the set of creativity that finishes the work. A person making a database comprising of factual contents would start thinking about selecting or arranging before incorporating contents in the database. It involves a lot of planning and an application of intellectual labour.⁹⁵¹ The final structure and functioning of the database is thus dependent on the extent of creativity involved at initial stages. In the context of Article 3 this is an interesting observation which will be further analyzed in the background of the CJEU judgement.

⁹⁴⁸ Ibid.

⁹⁴⁹ Ibid.

⁹⁵⁰ Ibid.

⁹⁵¹ Ibid.

1.3 Threshold for Author's Own Intellectual Creation (AOIC) not Stringent

The *Football Dataco* decision has followed an interesting approach, while assessing threshold requirement of AOIC. An author needs to fulfill both quantitative and qualitative criteria to satisfy threshold requirement for copyright protection under Article 3.⁹⁵² This conclusion was based on the example of a database consisting of 1000 poems subject to the interpretation of Recital 19 of the Directive that has been referred to earlier in the chapter.⁹⁵³ Further, the threshold requirement suggested in *Football Dataco* decision to merit AOIC is not stringent.

1.3.1 Quantitative Requirement Doubtful for AOIC

In the Database Directive, objective surrounding the existence of Recital 19 is not very clear.⁹⁵⁴ Recital 19 apparently limits the scope of the broad definition of a database, which is prescribed under Database Directive.⁹⁵⁵ CD compilations comprising of recorded musical performances is not excluded *per se*, since the Recital explicitly mentions 'as a rule'.⁹⁵⁶ In fact, a CD with musical recordings does come under the purview of a database.⁹⁵⁷

⁹⁵² *Football Dataco 2* (n 58) para [98].

⁹⁵³ *Ibid*, paras [86] and [90].

⁹⁵⁴ Council Directive 96/9/EC.

⁹⁵⁵ Davison (n72) page [73]; Irini A Stamatoudi, 'The EU Database Directive: reconceptualising copyright and retracting the future of sui generis right' (1997) 50 *Hellenic R of Int'l L* 435; Laddie and others (n 917) page [1070].

⁹⁵⁶ *Ibid*.

⁹⁵⁷ Davison (n 72) page [73].

One needs to question appropriateness of starting with Recital 19 to understand the threshold of AOIC. This Recital does not clearly state the threshold requirement, except saying that there is no protection for a compilation comprising of 'only' several recordings.⁹⁵⁸ From the Recital, the number of recordings required to cross the threshold is not clear. Even if there are more than several recordings, such increase in quantity may not be sufficient. For a database maker, protection may not be available only by increasing number of recordings. The first draft proposal and Recitals of the Directive make it very clear that the only criterion for a database to merit copyright protection is the author's intellectual ability.⁹⁵⁹ This ability can only be judged in the context of selection or arrangement of the contents.⁹⁶⁰ There is no explicit quantitative requirement that needs to be fulfilled prior to copyright protection.⁹⁶¹ Going by 1000 poems example⁹⁶² and the argument given in this regard, a compiler with 500 poems is less likely to have copyright protection for his database. Let us think of a given situation where a compiler selects 1000, 500 and 250 poems respectively from a total of 1500 poems. The quantitative argument based on the selection of 1000 poems is not tenable because arguably selecting 500 poems or 250 poems for a database from a total number of 1500 poems may involve greater selection process than choosing a total of 1000 poems. A stricter selection process will considerably increase the

⁹⁵⁸ Council Directive 96/9/EC.

⁹⁵⁹ Recitals 14 and 15, (COM (92) 24 final), para [3.1.8]; Recitals 15 and 16, Council Directive 96/9/EC.

⁹⁶⁰ Article 3, Council Directive 96/9/EC.

⁹⁶¹ *Ibid.*

⁹⁶² *Ibid.*, paras [86] and [90].

chance of copyright protection because such selection is likely to be more creative than selecting 1000 poems.⁹⁶³ Further, there is no threshold attached to quantitative standard, unlike the qualitative standard which has to be measured against the creativity towards selection or arrangement of contents in a database.⁹⁶⁴ Quantity alone would not be sufficient without satisfactorily completing creativity in selection or arrangement, since that is the only requirement as per the Recitals.⁹⁶⁵ As such “Copyright laws do not protect disparate facts, data, or information as such, even when arranged in *large quantities...*”⁹⁶⁶ Thus, large quantities or quantitative assessment of collection might have lesser effect in relation to copyrightability of a compilation. Looking at the considerable doubt that exists with number requirement under Recital 19, it is preferable to follow only qualitative threshold instead of additional quantitative approach.⁹⁶⁷ The approach of quantitative test adopted by Floyd J is not preferable.⁹⁶⁸ Floyd J has himself been circumspect about the scope assigned to Recital 19, since he was unsure about the justification behind unavailability of copyright protection for CDs comprising of musical recordings.⁹⁶⁹ However, in the *BHB* decision Laddie J. said, Recital 19

⁹⁶³ General idea from the *Feist* case, *Feist Publications* (n 4).

⁹⁶⁴ Article 3, Council Directive 96/9/EC.

⁹⁶⁵ Recital 19, Council Directive 96/9/EC.

⁹⁶⁶ Reichman and Samuelson (n 72) page [72].

⁹⁶⁷ *Ibid.*

⁹⁶⁸ Stating that “...it is not consistent with other areas of copyright law if in fact originality for the purposes of database copyright was to include both a requirement as to [AOIC] and a quantitative requirement but in other areas not”, Mark Rodgers, ‘Case Comment: Football fixture lists and the Database Directive: Football Dataco Ltd v Britten Pools Ltd’ (2010) 32(11) EIPR 593,598.

⁹⁶⁹ *Football Dataco 2* (n 58) para [84].

demonstrates “... a quantitative baseline of originality”.⁹⁷⁰ In spite of Laddie J. observation in *BHB* decision, the requirement of Article 3 according to the Directive is limited to the qualitative analysis of the intellectual ability.⁹⁷¹ Further, reference to the *Infopaq* decision suggests that a mere composition of 11 words may be sufficiently creative and therefore, questions the quantitative baseline argument.⁹⁷² The *Infopaq* decision essentially points to the qualitative aspect involved in choosing those 11 words.⁹⁷³

1.3.2 *Modicum of Creativity Sufficient*

Football Dataco's interpretation of the AOIC threshold, with reference to cases in Europe suggests the expected level of creativity. One can understand the reason behind considering *Infopaq* case, since ECJ indicated the threshold that may represent intellectual creation of an author.⁹⁷⁴ As per the standard determined by ECJ, a composition of 11 words may be sufficiently original to merit copyright protection.⁹⁷⁵ This threshold may serve as an example to decide future copyright cases concerning protection of databases. Going by the reference of *Infopaq* case, Floyd J provided an example of how threshold could be portrayed at the European level. An analogy was drawn with space to

⁹⁷⁰ “...Although there is no requirement to demonstrate aesthetic or qualitative criteria, there must be a quantitative baseline of originality before protection is acquired” [2001] RPC 31 at [28]; this decision is considered in the next chapter, chapter VI, section 3.

⁹⁷¹ Recital 15 and 16, Council Directive 96/9/EC.

⁹⁷² [2009] ECDR 16.

⁹⁷³ *Ibid.*

⁹⁷⁴ This decision was based on the Copyright Directive (2001/29/EC) where the ECJ said, “storing an extract of a protected work comprising 11 words” **may amount to reproduction under copyright**, if the elements thus reproduced are the expression of the intellectual creation of their author” [*Infopaq International* (n 922) pages [272]-[273].

⁹⁷⁵ [2009] ECDR 16.

manoeuvre.⁹⁷⁶ It represents existing and available opportunity for a producer with reference to creativity in selection or arrangement. While the existing opportunity is for the first producer who comes up with a database, the available opportunity is for the second comer who is interested in producing similar database as the first maker. After using the existing opportunity, if the first database maker produces a database which is purely deterministic in nature, then there is no copyright protection in such database.⁹⁷⁷ This reflects that there was not much room to maneuver for the database maker. Copyright protection is thus linked with existing opportunity. For the second database maker, there may be enough opportunity to show creativity if there is existing opportunity for the first maker. To merit copyright protection, database makers do not require much room, i.e. not much of an opportunity is required to express their creativity.⁹⁷⁸ There is further analysis on this issue in the subsequent sections. The *Football Dataco* case in England tends to support modicum of creativity required for databases to merit copyright protection.

Further to the preliminary ruling, the Court of Appeal in England referred *Football Dataco* case to the CJEU for further interpretation. The Court of Appeal held that the person responsible for sequencing and pairing had to work within a rigid structure of pre-conceived rules.⁹⁷⁹ However, the entire process is

⁹⁷⁶ *Football Dataco 2* (n 58) paras [89]–[90].

⁹⁷⁷ *Ibid*, para [90].

⁹⁷⁸ *Ibid*.

⁹⁷⁹ [2010] EWCA Civ 1380, [2011] ECDR 9, para [4].

far from being purely mechanical.⁹⁸⁰ The Court was happy with the reasonable amount of creativity that was present within the rigid structure.⁹⁸¹ At the hearing, the claimant argued that making of the fixture list, involved selection or arrangement of existing data within the meaning of Article 3. The selection process involved matches played on a particular date, and the work was sufficiently creative and individualistic to merit copyright protection.⁹⁸² The defendants contended that the selected data was not ‘pre-existing’, and suggested that “giving a date to a match (eg. Arsenal v Chelsea on 26th April) is creating data, not selecting or arranging it”.⁹⁸³ Looking at the confusion surrounding interpretation of the given section in England, the Court of Appeal in England referred the matter to the CJEU. In the context of Article 3(1), the Court of Appeal asked two questions in particular:

“1. ..What is meant by “databases which, by reason of the selection or arrangement of their contents, constitute the author's own intellectual creation” and in particular:

(a) Should the intellectual effort and skill of creating data be excluded?

(b) Does “selection or arrangement” include adding important significance to a pre-existing item of data (as in fixing the date of a football match);

⁹⁸⁰ Ibid; Rachel Montagnon and Mark Shillito, ‘Requirements for subsistence of database copyright and other national copyright in databases referred to the ECJ: Football Dataco v Yahoo!’ (2011) 32(5) EIPR 324,324.

⁹⁸¹ [2011] ECDR 9, para [4].

⁹⁸² [2011] ECDR 9, para [16].

⁹⁸³ [2010] EWCA Civ 1380, [2011] ECDR 9, para [18].

(c) Does “author's own intellectual creation” require more than significant labour and skill from the author, if so what?

2. Does the Directive preclude national rights in the nature of copyright in databases other than those provided for by the Directive?”⁹⁸⁴

The first question, 1 (a), relates to created and pre-existing data. Specifically the Court asked whether data created should come under the scope of Article 3. 1 (b), questions whether selection or arrangement involves adding important significance to pre-existing data, while 1 (c) questions the threshold of AOIC. The final question is to confirm whether copyright protection is still available to compilations other than protection conferred under Article 3.⁹⁸⁵ For the purpose of the thesis, question 1 is of prime importance.

2.0 CJEU observation in *Football Dataco* reduced scope of Article 3

According to CJEU, protection under Article 3 is for ‘structure’ of the database and does not extend towards contents. This is similar to protection offered under Article 10 (2) of the Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement.⁹⁸⁶ The Court held that selection and arrangement is a

⁹⁸⁴ [2010] EWCA Civ 1380, [2011] ECDR 9, Para [22].

⁹⁸⁵ One must remember that tables and compilations are still protected as a literary work in the UK and may be protected separately under the ‘sweat of the brow’ threshold instead of AOIC under section 3A.

⁹⁸⁶ Article 10(2), ‘Agreement on Trade-Related Aspects of Intellectual Property Rights: Part II — Standards concerning the availability, scope and use of Intellectual Property Rights’ (World Trade Organisation) available at < http://www.wto.org/english/tratop_e/trips_e/t_agm3_e.htm>(

process through which “author of the database gives the database its structure”.⁹⁸⁷

At the time of deciding the scope of Article 3, CJEU held that it does not extend to creation of data. “Intellectual effort and skill” towards creation of data “are not relevant in order to assess the eligibility of the database that contains them for copyright protection”⁹⁸⁸. In fact, the objective under the Directive is to stimulate “creation of data storage and processing systems” and “not to protect the creation of materials capable of being collected in a database”.⁹⁸⁹ The resources used in *Football Dataco* case are for creation of data and hence, are of little relevance to assess copyrightability of the fixture list in question.⁹⁹⁰ However, if creativity at the stage of creating the data is supplemented by “elements reflecting originality in the selection or arrangement of the data contained in the database” then such database may be protected by Article 3.⁹⁹¹

As to the threshold of originality, a database may merit copyright protection where an author by virtue of selection or arrangement expresses “his creative

accessed 22 November 2008); The Article states, “Compilations of data or other material, whether in machine readable or other form, which by reason of the selection or arrangement of their contents constitute intellectual creations shall be protected as such. Such protection, which shall not extend to the data or material itself, shall be without prejudice to any copyright subsisting in the data or material itself”.

⁹⁸⁷ *Football Dataco* (n 58) page [193].

⁹⁸⁸ *Ibid.*

⁹⁸⁹ *Ibid.*, page [185].

⁹⁹⁰ *Football Dataco* (n 58) page [194].

⁹⁹¹ *Ibid.*

ability in an original manner by making free and creative choices”.⁹⁹² Further, the threshold of originality is a matter for courts in the member States to determine.⁹⁹³ The rulings of the national courts are discussed in the following sections after the interpretation of CJEU. If the creation of a database is “dictated by technical considerations, rules or constraints, [therefore leaving] no room for creative freedom”, then such creativity will not satisfy the threshold criterion.⁹⁹⁴ Further, any labour or skill will not be counted, which does not express any original selection or arrangement.⁹⁹⁵

Where there is original expression through selection or arrangement, it is irrelevant for the purpose of the Directive, “whether or not that selection or arrangement includes ‘adding importance significance’ to the data”.⁹⁹⁶ It is clear that CJEU have moved away from the decision and argument of the Court of the first instance in England. Their position in *Football Dataco* case needs further analysis.

2.1 Creativity in Data Creation not Covered

According to CJEU, there is no protection for creation of data under the provisions of Article 3.⁹⁹⁷ In the same case, the Court of First Instance in England stated that creativity starts prior to selection or arrangement of the

⁹⁹² Ibid, page [185].

⁹⁹³ Ibid, page [184].

⁹⁹⁴ *Football Dataco* (n 58) pages [193] and [185].

⁹⁹⁵ Ibid.

⁹⁹⁶ Ibid, page [194].

⁹⁹⁷ *Football Dataco* (n 58) page [194].

contents in a database.⁹⁹⁸ Selection decisions taken while creating data, “which necessarily involve adopting one alternative and rejecting others, are properly to be regarded as part of the selection or arrangement of the contents of a database.”⁹⁹⁹ CJEU advocated for a separate set of creativity at the time of selecting or arranging data in the database.¹⁰⁰⁰ Going by the interpretation of the Court in England there was a given opportunity for majority of databases to merit copyright protection.¹⁰⁰¹ This is because the Court held that modicum of creativity requirement covers all intellectual efforts at all stages of the production of a database.¹⁰⁰² By excluding creativity in data creation, CJEU essentially has curtailed the scope of Article 3. One has to understand that with respect to copyright protection, fundamentally, CJEU did not disagree with the proposition that creativity begins prior to selection or arrangement. Such argument, however, does not extend towards the provision of Article 3.¹⁰⁰³ This Article is limited to incentivize creation of data storage and processing and not creation of data itself.¹⁰⁰⁴ From the interpretation of CJEU, it seems that the objective behind enacting this Directive is used to encourage collection of data

⁹⁹⁸ *Football Dataco 2* (n 58) para [82].

⁹⁹⁹ *Football Dataco 2* (n 58) para [74]; This view point is also expressed in the seminal article of Robert Denicola where he says that “the effort of authorship can be effectively encouraged and rewarded only by linking the existence and extent of protection to the total labour of production. To focus on the superficial form of the final product to the exclusion of the effort expended in collecting the data presented in the work is to ignore the central contribution of the compiler”. Denicola (n 359) page [530]; The basis, however, is labour and not adoption of creativity in selection or arrangement as expressed in the *Dataco* case.

¹⁰⁰⁰ *Football Dataco* (n 58) page [194].

¹⁰⁰¹ It appears from the explanatory memorandum to the proposal that the Commission expects most databases to fulfil the necessary criteria for copyright protection” Elizabeth Weightman and Jean Hughes, ‘EC Database protection: fine tuning the Commission’s Proposal’ (1992) 14(5) EIPR 147,148.

¹⁰⁰² *Football Dataco 2* (n 58) para [90].

¹⁰⁰³ *Football Dataco* (n 58) page [193].

¹⁰⁰⁴ *Ibid.*

for the end-user.¹⁰⁰⁵ The argument is wholly and squarely based on the interpretation of Recital 12.¹⁰⁰⁶ This interpretation also shows that Recital 12 of the Directive is fundamental to understand the scope of the Directive.

2.2 Separate Creativity Requirement for Single-sourced Database

For single source database producers, the requirement of separate creativity under Article 3 is particularly challenging. These producers create data before using them as contents in their database.¹⁰⁰⁷ No amount of initial creativity towards the creation of data will justify protection under Article 3. Single source database producers will have to ensure the application of creativity subsequent to the creation of data, and in the context of selection or arrangement of the created data.¹⁰⁰⁸ Based on the CJEU observation, there may be additional burden on single source database producers before they could claim copyright protection for their databases. The additional burden on database producers is not new in the context of the Directive. There has been similar ruling in the case involving application of Article 7.¹⁰⁰⁹ This ruling may seem to go against the general idea of providing incentive to the producers. However, one observes consistency in both the decisions of the CJEU. Therefore, there is the need to analyze the position of single source database producers further to the analysis of the *British Horseracing Board* decision in the final chapter.¹⁰¹⁰

¹⁰⁰⁵ Ibid.

¹⁰⁰⁶ Ibid.

¹⁰⁰⁷ Like the database in question involving *Football Dataco*.

¹⁰⁰⁸ *Football Dataco* (n 58).

¹⁰⁰⁹ British Horseracing case forms a part of the final chapter.

¹⁰¹⁰ *Infra* chapter VI, section 3.2.

2.3. Agreement with the Threshold Perceived in England

The CJEU said national courts in the member States must decide the threshold requirement of AOIC.¹⁰¹¹ Certain guidelines were however issued for an overall understanding of Article 3. Generally speaking the Court said that obvious databases with typical selection or arrangement will result where there is slight room for creativity.¹⁰¹² These databases will not satisfy the AOIC requirement. Selection or arrangement should not be merely dictated by technical rules like the use of computers.¹⁰¹³

There are similarities between what was said by Floyd J. and the observation made by CJEU. In fact, the judgement mostly re-iterated the argument of the Court in England, especially with reference to obviousness and role of computer.¹⁰¹⁴ The threshold is a matter to be decided by the member courts as long as the general guidelines are followed.

There have been some diverging opinions among commentators as to the AOIC. Scholars like Koumantos and Gaudrat have suggested a low threshold requirement for AOIC. According to them a database, which is not copied, will receive copyright protection.¹⁰¹⁵ In the opinion of Jens Gaster all continental

¹⁰¹¹ *Football Dataco* (n 58) page [194].

¹⁰¹² *Ibid.*

¹⁰¹³ *Ibid.*, page [185].

¹⁰¹⁴ *Ibid.*, pages [185] and [194].

¹⁰¹⁵ G Koumantos, 'Les bases de donnees dans la directive communautaire', 1997/171 RIDA and Ph Gaudrat, 'Loi de transposition de la directive 96/9 du 11 mars 1996 sur les bases de

European member States would have to lower their existing requirement for copyright protection.¹⁰¹⁶ Similarly, Common Law member States must raise the bar of existing copyright protection. This gap is certainly not *de minimis*. Selection or arrangement of contents in a database should provide signs of individuality, although to a modest degree.¹⁰¹⁷ The standard of copyright protection in member countries and their transition to the AOIC threshold have been analyzed in the next section. There have been other scholars who thought, “personal creativity is required but of not such a high level as traditionally required in Germany, whereas the thresholds of the United Kingdom and Ireland will need raising”.¹⁰¹⁸ The threshold has been “...decidedly ambiguous” and means that creator must embark upon mental ability instead of the usual “humdrum that anyone else might produce”.¹⁰¹⁹

One can certainly say that not every database will merit copyright protection based on the reasoning that they are not copied from a different database. . Otherwise the argument will be based more on ‘sweat of the brow’ doctrine than the intellectual labour required for copyright.¹⁰²⁰ The protection offered under Article 3 is not ‘sweat of the brow’ standard, since Article 7 is meant for databases that were previously protected under copyright based on ‘sweat of

données : dispositions relatives au droit d’auteur’ (1 partie), RTDcom 1998 in Annemarie Beunen (2007)80.

¹⁰¹⁶ Jens L Gaster ,‘The EU Council of Ministers’ common position concerning the legal protection of databases: a first comment’ (1995) 6(7) Ent L Rev 258 , 260.

¹⁰¹⁷ Gaster (n 1016) pages [258] and [260].

¹⁰¹⁸ Beunen (n 72) page [76].

¹⁰¹⁹ William Cornish and others, ‘Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights’ (7th edn. Sweet & Maxwell London 2010) 449.

¹⁰²⁰ *Football Dataco* (n 58) page [185].

the brow' argument.¹⁰²¹ Going by the first evaluation report there is a clear indication that the enactment of Article 3 suggested moving to a different standard by adopting the standard applied in *Droit d' Auteur* countries".¹⁰²² It has to be further analyzed what 'moving away' means and what was the standard like in *Droit d' Auteur* countries, and countries where 'sweat of the brow' was the argument to merit copyright protection.

3.0. Member States' Interpretation of Article 3

In the member States, Article 3 harmonized the threshold of copyright protection for databases.¹⁰²³ To observe changes after harmonization, the example of three member States are considered in this section. They are UK, France and Germany.

But before going through the substantive requirement of originality in three member States, it is important to understand the fundamental difference that exists in common and civil law system in relation to 'work'.¹⁰²⁴ As a prime example of Common Law system, UK provides copyright protection to a list of eight categories of work.¹⁰²⁵ In contrast, France as an example of civil law system provides protection to "all works of mind" that emanates from the

¹⁰²¹ First Evaluation of Directive 96/9/EC, para [1.1].

¹⁰²² Ibid, Tanya Aplin, *Copyright Law in the Digital Society: the challenges of multimedia* (Hart Publishing 2005)55.

¹⁰²³ Council Directive 96/9/EC.

¹⁰²⁴ Tanya Aplin, Subject Matter in Estelle Derclaye (ed), *Research Handbook on the future of EU Copyright* (Edward Elgar 2009)54.

¹⁰²⁵ They are: literary, dramatic, musical and artistic works, sound recordings, films, broadcasting and published editions, Copyright Designs and Patent Act, 1988 section 1(1).

author.¹⁰²⁶ The resulting protection afforded to a work is categorized under different headings, since these two member countries follow different ideological grounds.¹⁰²⁷ *Copyright* as a term is used in English speaking countries to describe statutory rights and exceptions granted surrounding the use of a work; whereas in civil law jurisdictions it is *Droit d' Auteur*(author's right).¹⁰²⁸ Unlike the Common Law, concept of work in civil law jurisdiction is not an object that results from ability.¹⁰²⁹ Instead, the author is present in the created work. As a result, work is the outcome of expressive capacity of human beings.¹⁰³⁰ For example, in the French system, only authorial work will receive protection and therefore, entrepreneurial works like sound recording,

¹⁰²⁶ 'Article L112-1 of the Intellectual Property Code' (LexInter) available at <http://www.lexinter.net/ENGLISH/intellectual_property_code.htm> (accessed 10 January 2011); Aplin (n 1024) page [58].

¹⁰²⁷ They are "... derived from different philosophies and the spirit in which protection is acquired is not the same", Michel Vivant, Protection of Raw Data and Data Banks in France in Bernt Hugenholtz & Egbert J Dommering (eds) *Protecting Works of Fact: Copyright, Freedom of Expression and Information Law* (Kluwer law and Taxation publishers, 1991) 74; Kevin Garnett, Gillian Davis, Gwilym Harbottle and others (eds) *Copinger and Skone James on Copyright vol1* (Sweet & Maxwell 2011 16th edn) 6; Stating that copyright and droit d' auteur work share a same ground and the conflict is often exaggerated, Valles (n 932) page[109]; the concept of work is not harmonized at the European level, Valles (n 932); the term work in Europe is at an unknown level, Christian Handig, 'The copyright term "work" – European harmonisation at an unknown level' (2009) 40(6) IIC 665; At the moment it harmonizes only three categories: computer programs, photographs and databases; It is, however, misleading to suggest that copyright laws were passed in France to promote authorship and in the UK were passed keeping in mind a commercial centric approach. Historically both countries shared same philosophy and purpose in relation to the introduction of copyright and "these laws were of a trade-regulatory nature, employed by the authorities to destroy the monopoly enjoyed by a certain groups" in France and UK, Makeen Fouad Makeen *Copyright in a Global Information Society: The Scope of Copyright Protection Under International, US, UK and French Law* (Studies in Law) (Kluwer Law International 2000) 30.

¹⁰²⁸ Copinger and James (n 1027) page [4]; JAL Sterling, Comparison of the copyright and author's right systems (8 June 1998) Institute of Advanced Legal Studies, London, offprint collection, shelf number: X0054.

¹⁰²⁹ Valles (n 932); the term work in Europe is at an unknown level, Christian Handig (n 1027) page[110]; Owing to harmonisation at the European level, certain aspects of author's right has been incorporated in the UK. For example the introduction of principal director as one of the authors in a film, along with the producer, *Ibid*, page [6].

¹⁰³⁰ As a result the author is granted exclusive rights, including moral rights, *ibid*; under the author's right, alongside economic rights under copyright system, moral rights are entrenched in it, JAL Sterling (n 1028).

broadcasting will only receive protection under neighbouring rights instead of copyright.¹⁰³¹ However in the UK, copyright also protects sound recordings and broadcasting.¹⁰³²

With the already existing differences in the concept of work, introduction of AOIC meant certain changes in the threshold standard followed in member States.¹⁰³³ The extent of such changes is best understood by analyzing the transition to the AOIC standard. This study of transition will be helpful in two ways. First, it will help us to understand the level of consensus among members States with the threshold of AOIC. Second, the decisions of European Courts concerning the threshold of AOIC will also give an insight of the required standard.

In the UK, only an “original work” is entitled to copyright protection.¹⁰³⁴ Section 1(1)(a) of the Copyright Design and Patents Act (CDPA), 1988 protects a work under copyright if it is original.¹⁰³⁵ Despite the specific provision, there have been varied interpretations of the threshold requirement in UK.

¹⁰³¹‘Book II of the Intellectual Property Code’ (LexInter) available at <http://lexinter.net/ENGLISH/intellectual_property_code.htm> (accessed January 10 2011); *ibid*, page [57]; the moral rights in the UK are provided in the CPD Act of 1988.

¹⁰³² Copinger and James (n 1027) page [5].

¹⁰³³ Article 3, Council Directive 96/9/EC.

¹⁰³⁴ Cornish and others (n 1019) page [9].

¹⁰³⁵ CPD Act 1988; the requirement that a work needs to be ‘original’ was only added to the Copyright Act of 1911, Cornish and others (n 1019) page[447]; Keeping an eye on compilation, the originality standard is restricted to literary work.

In the case of *University of London Press v. University Tutorial Press*, Mr. Justice Peterson held that for an expression to merit copyright protection there is no requirement of originality in novelty sense.¹⁰³⁶ For copyright protection to subsist, the work should have originated from the author, and not a copied expression from a different work.¹⁰³⁷ Subsequent cases have upheld that a work is original, if sufficient “skill, judgement and labour” has been expended in the sense that the work in question has not been slavishly copied.¹⁰³⁸ Thus, there is a link between the concept of originality and the threshold of skill, judgement or labour.¹⁰³⁹ There is, however, little uniformity in the application of the threshold requirement. It is a matter of degree and depends on the facts of a particular case.¹⁰⁴⁰ Originality may be an outcome of either substantial or negligible use of skill, labour or judgement.¹⁰⁴¹ For example, in the *Football League* case chronological list of matches in four divisions successfully passed the copyright grade.¹⁰⁴² For the purpose of the list, the maker took into account various factors like timings of other matches, clubs willing to play under floodlights and ticket sales. In the opinion of Upjohn J, chronological lists like other “...statistical reference matter such as railway time tables, horse breeding

¹⁰³⁶ [1916] 2Ch 601 page [609]; this was said while deciding the copyrightability of mathematics question paper.

¹⁰³⁷ Ibid.

¹⁰³⁸ Lord Atkinson in *Macmillan v Cooper* (1923) 93 LJPC 113; Lord Justice Mummery *Sawkins v Hyperion Records Ltd* [2005] EWCA Civ 565 [2005] 1 WLR 3281 para [31].

¹⁰³⁹ Lionel Bently and William R Cornish, United Kingdom in Paul Edward Geller and Melville B Nimmer (eds) *International Copyright Law and Practice* (Lexis Nexis 2009 volume 2)2[1][b][i].

¹⁰⁴⁰ Lord Atkinson said that the amount of skill, labour or judgement is a matter of degree and depends on the facts of a specific case, *Macmillan v Cooper* (1923) 93 LJPC; Lord Devlin in *Ladbroke v William Hill* [1964] 1 WLR 273 has suggested substantial degree of skill, industry or experience; Upjohn J said some amount of labour, skill, labour or ingenuity in *Football League v Littlewoods Pools* [1959] Ch. 637, pages [638] - [639].

¹⁰⁴¹ Ibid.

¹⁰⁴² Ibid.

material, catalogues, indices, solar and lunar calendar events, reference directories” possess no literary merit.¹⁰⁴³ For these compilations some labour, skill, judgement or ingenuity would be sufficient to merit copyright protection. Moreover, there was considerable attention to detail at the time of making the chronological list.¹⁰⁴⁴ Similar to the *Football League* case, in the *Ladbroke* case, football coupons were sufficiently original to merit copyright protection.¹⁰⁴⁵ Although the way of expressing coupons were common to all bookmakers, the Court said that there was a case of copyright infringement. For copyright protection, labour or expense involved in the compilation of football coupon was sufficient.¹⁰⁴⁶ Similar arguments were followed in the *Blacklock* case where copyright protection existed in an alphabetic list of stations.¹⁰⁴⁷ The defendant publishing company did not expend independent labour to collect the names of stations available in the public domain.¹⁰⁴⁸ Instead, they referred to the list developed by the claimants.

There have been instances where originality was held to be insufficient to merit copyright protection. For example, amount of creativity was not sufficient in selecting different colours with minimal writings at the top. The cards had the words ‘name’ and ‘address’ and formed a ready insurance reference for

¹⁰⁴³ Ibid, pages [650]-[651].

¹⁰⁴⁴ Ibid.

¹⁰⁴⁵ *Ladbroke* (n 1040) page [274].

¹⁰⁴⁶ Ibid.

¹⁰⁴⁷ *H Blacklock & Co Ltd v C Arthur Pearson Ltd* [1915] 2 Ch, 376.

¹⁰⁴⁸ Ibid.

employers to arrange the insurance information of employees.¹⁰⁴⁹ Similarly, there was no copyright protection for the title “The Lawyer’s Diary” in the absence of enough effort. The plaintiff claimed copyright infringement, since the defendant had a work titled ‘Butterworth’s Law Diary’.¹⁰⁵⁰

In UK, compilations are literary work, and receive copyright protection if they are original.¹⁰⁵¹ The threshold of originality is not stringent, since “...protection has been given under this head to a wide variety of works and originality has seldom been in issue”¹⁰⁵² At present, tables and compilations receive express protection under the CDPA other than explicit protection for databases.¹⁰⁵³ Cases have revealed that hard work and labour is sufficient to merit copyright protection in compilations. As a result, over the years, train timetables, street directories and football fixture lists received copyright protection.¹⁰⁵⁴

¹⁰⁴⁹ *Libraco Ltd v Shaw Walker Ltd* (1913) 58 Sol Jo 48.

¹⁰⁵⁰ *Rose v Information Services Ltd* [1987] FSR 254.

¹⁰⁵¹ Section 3(1) (a) of the Copyright, Designs and Patent Act, 1988, available at <<http://www.legislation.gov.uk/ukpga/1988/48/contents>> (accessed 10 November 2010); Moreover in the UK, two different originality standards are maintained for ‘compilations’ and ‘databases’. Compilations are protected as a literary work on the basis of the low standard of sufficient ‘labour, skill and judgement (infra 82 , while databases for copyright protection follows the new AOIC criterion (section 3(A)(2)), Tanya Aplin (n 1022) pages[52]-[53]; Also see Estelle Derclaye, ‘Do sections 3 and 3A of the CPDA violate the Database Directive? A closer look at the definition of a database in the U.K. and its compatibility with European law ‘(2002) 24(10) EIPR 466.

¹⁰⁵² Copinger and Skone (n 1027) page [155].

¹⁰⁵³ Sections 3(1) (a) and (d) under the CPDA.

¹⁰⁵⁴ The claimants published compilation of a monthly guide of train timetables of various railways in the United Kingdom. It was comprehensive and was indexed alphabetically with numbers. The Court held copyright infringement in the act of copying such factual index. Blacklock (n 1047) page [376]; There was copyright infringement, since the second comer did not expend the same effort in collecting facts similar to the claimant, *Kelly v Morris* [1959] Ch 637.

After the implementation of Article 3 there were certain changes in the threshold of originality. One of the first cases after the implementation was *Mars v. Teknowledge*.¹⁰⁵⁵ The case involved a semi-conductor programmable chip in Mars coin vending machine and the programmed dimension of coins was stored in an EEPROM (Electrically Erasable Programmable Read-Only Memory) device. This programmed data helped in the working of computer program. It was alleged that Teknowledge decrypted the code contained in the chip, thereby infringing copyright and Database Right. This case, however, did not explain or consider the threshold requirement of AOIC under Article 3. The defendant conceded infringement of Database Right in EEPROM.¹⁰⁵⁶ The following year in *Sietech Hearing Limited v. Russell Borland, James Eley, Digital Hearing (UK) Limited* a similar pattern was followed regarding the application of database copyright.¹⁰⁵⁷ This case involved a database containing information about supply of hearing aids. The Court upheld the protection of copyright in such database without giving clear explanation.¹⁰⁵⁸ Other than the *Football Dataco* case discussed earlier, one of the recent decisions explaining the threshold of AOIC is *Football Dataco Ltd v. Sportradar GmbH*.¹⁰⁵⁹ The

¹⁰⁵⁵ [2000] ECDR 99.

¹⁰⁵⁶ This decision shows that there is a tension between a computer program and database. The Directive clearly says that it will not apply to computer programs used in the making or operation of databases accessible by electronic means, Article 1(3) of Database Directive 96/9/EC; Davison (n 72) page[71].

¹⁰⁵⁷ Opinion of Lord Macfadyen in '*Sietech Hearing Limited v. Russell Borland, James Eley, Digital Hearing (UK) Limited*' (Court of Session, 19 February 2003) available at <http://www.scotcourts.gov.uk/opinions/CA123_00.html> (accessed 3 December 2010).

¹⁰⁵⁸ In *Royal Mail Group Plc. v. i-CD Publishing (UK) Limited* [2003] EWHC 2038, again the matter of threshold was not discussed.

¹⁰⁵⁹ [2011] EWCA Civ 330, [2011] 1 WLR 3044; There has been a recent decision between the same parties where *Sportradar* was not held to be jointly liable for UK users who accessed their database, *Football Dataco Ltd v Sportradar GmbH* [2012] EWHC 1185 (Ch), [2012] 26 ECC 273.

claimant *Football Dataco Ltd* produced “Football Live”, (hereinafter the *Live Football* case) a database, which provided live information about football matches in UK. The database included the timings of goals scored, players who scored such goals, players who received yellow and red cards, timings of penalty kicks awarded, and information about player substitution in a particular match. It was claimed, ex-professional footballers compiled Football Live and it involved “considerable skill, effort, discretion and/or intellectual input by experienced personnel to generate, select and/or arrange its contents.”¹⁰⁶⁰ The defendants involving a German and a Swiss company (Sportradar) operated a betting website named bet365.com for the UK audience. It was alleged that, the defendants infringed existing copyright protection in the ‘Football Live’ database. The defendants said there was no act of copying, as they were generating data independently. Furthermore, the act of data collection in ‘Football Live’ did not involve any intellectual labour. The alleged infringement relates to copying of facts.¹⁰⁶¹ The Court agreed with the defendants and said that copyright protection was not available for ‘Football Live’ database. There is no copyright protection for factual data that formed a part of the ‘Football Live’ database. Further, there was no application of intellectual labour towards the collection of such factual data. Recording of a goal out of goalmouth scramble “...may sometimes involve some skill... but it is not creative skill.”¹⁰⁶²

¹⁰⁶⁰ [2011] EWCA Civ 330, [2011] 1 WLR 3044, para [16].

¹⁰⁶¹ Ibid.

¹⁰⁶² Ibid.

With the incorporation of Article 3, there is a change in the originality requirement for copyright protection in UK. This change is more of an introduction of a new standard in the UK, since there is separate protection for table and compilations under the CPDA.¹⁰⁶³ There is an effective distinction between databases and compilations under the UK law.¹⁰⁶⁴ Any compilation that fulfills the requirement of database would, however, be covered under the threshold of Article 3. Therefore, it would be incorrect to say that UK has truly moved away from ‘sweat of the brow’ theory to originality based on selection or arrangement of the contents.¹⁰⁶⁵ However, there would be a transition from the argument based on ‘sweat of the brow’ theory given that most compilations in UK would come under the broad definition of database.¹⁰⁶⁶

This transition is analyzed and compared against other two jurisdictions in subsequent sections following the threshold discussions that happened in France and Germany. It is clear that insignificant labour towards writing a few words would not meet the threshold for copyright protection.¹⁰⁶⁷ In the UK, most mundane listings would be protected based on effort expended; and a compilation, which is not a database, will receive copyright protection.¹⁰⁶⁸ There

¹⁰⁶³ Section 3A has been introduced to specifically address the requirement of databases, Copyright, Designs and Patents Act, 1988 (1988 c. 48).

¹⁰⁶⁴ Ibid, Section 3(1) (a) of the CDPA still protects table and compilation other than section 3A which protects databases.

¹⁰⁶⁵ Derclaye (n 1051).

¹⁰⁶⁶ After the ECJ decision involving Fixtures Marketing [*Organismos* (n 30) page [37] “there are several indications of the intention of the Community legislature to give the term database as defined in the directive, a wide scope, unencumbered by considerations of a formal, technical or material nature”.

¹⁰⁶⁷ *Libraco* (n 1049).

¹⁰⁶⁸ For instance, alphabetic list of stations, *Blacklock* (n 1047).

is no indication that such effort would require an independent touch from the author portraying his creativity. The decisions suggest that authors using same information available in the public domain must expend independent labour, even if they come to similar results.¹⁰⁶⁹ It has been suggested that copyright in this context compensates for lack of unfair competition law in the UK.¹⁰⁷⁰ These decisions, moreover, are set up in competitive situations where there is the possibility of one individual misappropriating the contents of a compilation.¹⁰⁷¹ The arguments in the aforementioned cases are similar to US decisions based on the ‘sweat of the brow’ theory.¹⁰⁷² Although unlike US there is no explicit mention of the term ‘sweat of the brow’, it is more or less certain that the requirement in UK is similar to ‘sweat of the brow’ standard.¹⁰⁷³

In France, original “work of mind” receives copyright protection. The copyright statute does not define work of mind, but it is something, which originates from intellectual creation reflecting individual contribution.¹⁰⁷⁴ Originality is the fundamental requirement and a general standard in the French copyright law. However, there is no further statutory guidance on the threshold requirement to

¹⁰⁶⁹ Ibid.

¹⁰⁷⁰ The common law countries moved towards “sweat of the brow” copyright in the absence of the law of unfair competition, ‘William Rodolph Cornish, ‘Protection for and vis-à-vis Databases’ in Marcel Dellebeke (ed), *Copyright in Cyberspace: Copyright and the Global Information Infrastructure* (Otto Cramwinckel, Amsterdam, 1997)436; Daniel Gervais shares the same view but also adds that this originality threshold contravenes the creative originality requirement under the Berne Convention and the TRIPS Agreement, Daniel Gervais, ‘The Compatibility of the Skill and Labour Originality Standard with the Berne Convention and the TRIPS Agreement’(2004) 26(2) EIPR 75, 78.

¹⁰⁷¹ Cornish and others (n 1019) pages [447] – [448].

¹⁰⁷² *Jeweler’s Circular Publishing* (n 463).

¹⁰⁷³ Davison(n 72) page [144]; Gervais (n 460) page[78].

¹⁰⁷⁴ Andre Lucas, Pascal Kamina & Robert Plaissant, France in Paul Edward Geller and Melville B Nimmer (eds) *International Copyright Law and Practice* (Lexis Nexis 2009 volume 1)Section 2[1][b].

fulfill originality.¹⁰⁷⁵ Courts in France tend to find originality in the creative choice exercised by an author. Traditionally, originality is something viewed as an “imprint of the author’s personality”.¹⁰⁷⁶ There is an inextricable link between creativity and originality where a work must reflect contribution of an author in terms of his intellectual ability. We can observe a marked difference in the understanding of originality in UK where there is no creativity requirement in case of a table and compilation.¹⁰⁷⁷ Originality is measured in terms of independent labour, which is not intellectual labour.¹⁰⁷⁸

Things have begun to change in France. With advancements in technology, the traditional view of originality in France has been questioned.¹⁰⁷⁹ Computer programs have challenged the requirement of ‘imprints of author’s personality’.¹⁰⁸⁰ Article L112-3 of the Code of Intellectual Property 1992 provides copyright protection to compilations.¹⁰⁸¹ It allows for protection of anthologies or collections, if only selection or arrangement of the contents of

¹⁰⁷⁵ Ibid, Section 2 [1] [b].

¹⁰⁷⁶ Section 2[1] [b] [iii] [A]; Vivant (n 1027) page [74].

¹⁰⁷⁷ *Supra* (n 1051) and (n 1068)-(n 1069).

¹⁰⁷⁸ Ibid.

¹⁰⁷⁹ Thomas K Dreier, ‘Authorship and New Technologies from the Viewpoint of Civil Law Tradition’ (1995) 26(6) IIC 990, 997-999.

¹⁰⁸⁰ In the landmark Pachot decision the cour de cassation, said originality is an “intellectual input” (apport intellectuel) and gave the opinion that protection may be refused if an “automated or constraining logic” dictates” and decides the input, Lucas & others (n 1074) section 2[2]; The French approach, which was understandable with regards to writings, paintings and sculptures did not go well with utilitarian work. Thus, the modern test is a subset of the originality requirement that asks “what is it that an author does to show her personality through a work”, Elizabeth F Judge & Daniel Gervais, Of silos and constellations: comparing notions of originality in copyright law in Robert F Brauneis, Intellectual Property Protection of Fact-based Works: Copyright and its Alternatives (Edward Elgar 2009)79.

¹⁰⁸¹ Davison (n 72) page [114].

such anthologies or collections constitutes intellectual creation.¹⁰⁸² French law has protected compilations with contents, which are both informational and works.¹⁰⁸³ While dealing with these cases, courts have said that one should identify the originality in selection or arrangement instead of the contents that may not be protectable.¹⁰⁸⁴ A different type of originality is required for compilations in comparison to mere 'sweat of the brow'. The criterion in France is based on originality in selection or arrangement.¹⁰⁸⁵ This criterion is different from the requirement in UK that existed prior to incorporating database copyright provision under Article 3. Although the requirement in France is generally construed differently from 'sweat of the brow', cases have indicated that even prior to incorporating Database Directive, the threshold of such originality was not significantly stringent in terms of requirement of creativity.

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¹⁰⁸² Lucas & others (n 1074) section 2[3] [b].

¹⁰⁸³ Over the years, protection has been granted to address books, schedule of prices and directory of medical laboratories because of creativity through selection or arrangement. On the other hand, protection has been denied for compilations based on 'sweat of the brow' i.e. map of France indicating wine regions,

¹⁰⁸³ Davison (n 72) page [114].

¹⁰⁸⁴ Lucas & others (n 1074) section 2[3] [b].

¹⁰⁸⁵ "In theory, the standards of protection are quite high, but in fact, protection is often granted even in cases of weak creativity", Vivant (n 1027) page[75].

¹⁰⁸⁶ The criterion of originality for collections was revised from the initial standard in France. At the time of implementing TRIPS Agreement in 1996 the cumulative criterion requiring selection and arrangement was changed to selection or arrangement. Hence at the time of incorporating the Database Directive no additional changes were required, Beunen (n 72) page [80]; In the leading case of *Microfor v Le Monde* [1988] ECC 297, Microfor was involved in publishing an index consisting of titles of French newspaper articles. The compilation of Microfor was further subdivided into two parts. The first part 'analytical' consisted of alphabetic arrangement of articles with 'descriptive' key words, which was followed by a number referring to the chronological section. The second part, the chronological section consisted of the names of the periodicals where the articles were published. This selection or arrangement was considered to be original enough to confer copyright protection. In a different case, a published magazine consisting of a list of car manufacturers in the world was considered creative. The selection or arrangement was considered to be sufficiently creative in an 'organization chart' listing the

After the incorporation of copyright provision, there were some cases in France, which provide guidelines about the threshold requirement attached to AOIC. In *Editions Législatives v. Le Serveur Administratif, Thierry Ehrmann and others*, (*Editions Législatives*) the claimant published a dictionary of about 400 collective agreements arranged in a thematic method.¹⁰⁸⁷ It was alleged that the defendant had infringed database copyright by reproducing passages. Cour de Cassation held that dictionary of the claimant was not an ordinary compilation of information, which is available in public domain. Instead, the dictionary was a “compilation and summary of a large number of collective agreements in accordance with an original thematic presentation, providing a synthesis of the essential elements of each in accordance with a plan that was unique to the work.”¹⁰⁸⁸ Thus, the dictionary was an original work to merit copyright protection and an outcome of personality of the editor. Similarly in *Societe OCP Repartition v Societe Salvea*, the database in question was not a mere compilation consisting of information available in the public domain. On the contrary there was individuality present in the comments, while sources were being integrated in the database.¹⁰⁸⁹

names of their directors and managers, *SARL v. SA Coprosa Cass.* (1re civ., 2 May 1989) in Beunen (n 72) page [81].

¹⁰⁸⁷ [2005] ECDR 14; Collective agreements are “written and published agreements between certain parties, who are entitled by law to conclude these agreements, which have general and abstract provisions with binding impacts on the employment relationship”, Judge Michel Blatman, Conseiller, ‘Chambre sociale de la Cour de cassation, France, “Collective agreements’ (International Labour Organisation, 24 September 2006) available at < <http://www.ilo.org/public/english/dialogue/ifpdial/downloads/judges06/france2.pdf>> (accessed 14 April 2011).

¹⁰⁸⁸ *Editions Législatives* (n 1087) page [153].

¹⁰⁸⁹ Tribunal de commerce Paris 19 March 2004 in Beunen (n 72) pages[106]-[107].

In *SA Credinfor v. Artprice.com (Artprice)*, the alleged infringement concerned copyrightability of a database comprising of works of art. Artprice.com maintained a world-wide database, which listed information about paintings from all era including prices paid for such paintings in public auctions.¹⁰⁹⁰ Credinfor was involved with processing of payments and they ran a website of their own. The website of Credinfor provided similar information as Artprice.com. It was alleged that Credinfor infringed the existing copyright in the database based on number of hits that Artprice.com received within a short span of time. The Cour D' Appel De Paris held that no evidence was produced by Artprice.com to suggest that any intellectual contribution has resulted such database. Hence, there was no infringement of database copyright.¹⁰⁹¹ The “intellectual contribution must be assessed [with reference] to the plan, composition, form, structure, language and the expression of the personality of the author”.¹⁰⁹² Similar result followed in the case of *Groupe Moniteur et al v. Observatoire des Marchés Publics*. There was no originality present in call for tenders to merit copyright protection. The alleged infringement concerned unauthorized copying and distribution of calls for tender published in a journal.

¹⁰⁹⁰ [2006] ECDR 15.

¹⁰⁹¹ Credinfor (n 1090); However, Artprice was entitled for the protection under Database Right as the producer incurred substantial investment in the production of such database. Accordingly, Artprice has the right to prohibit extraction/re-utilizations of permanent or temporary transfer of the contents of the website to a different medium.

¹⁰⁹² Credinfor (n 1090) page [203].

Such compilation was not considered to be a database by the Court and it lacked originality for the purpose of copyright protection.¹⁰⁹³

The cases in France do not bring about a clear indication of the AOIC threshold attached to Article 3. In all of the aforementioned cases, there is a uniform distinction between ordinary compilation and compilation where an author incorporates his individual discretion, choice and uniqueness.¹⁰⁹⁴ Ordinary compilations that are likely to be available in the public domain are not protected under AOIC threshold.¹⁰⁹⁵ Databases that pass the grade of copyright have been associated with the traditional requirement of originality which reflects the personality of an author.¹⁰⁹⁶

With respect to originality requirement, Germany has adopted a different standard.¹⁰⁹⁷ The 1965 Copyright Act is the main legislation in Germany. Article

¹⁰⁹³ Institute for information law, the Database Right file, available at <http://www.ivir.nl/files/database/index.html> (accessed 11 January 2010); There were similar cases where copyright protection was refused: *SARL News Invest v. SA PR Line* Court of Appeal (Cour d'appel) Versailles, 11 April 2002 –published press releases of the companies enlisted in the stock exchange; *La société Sonacotra v. le syndicat Sud Sonacotra* District Court (Tribunal de Grande Instance) Paris, 25 April 2003 –a database of a company consisting of email addresses of employees.

¹⁰⁹⁴ Editions Législatives (n 1087) and Credinfor (n 1090).

¹⁰⁹⁵ Societe (n 1089).

¹⁰⁹⁶ Credinfor (n 1090).

¹⁰⁹⁷ “The work must feature a minimum level of individuality and creativity beyond that of average well-skilled and the trained person in the area (Kleine Munze)”, Christian Hertz-Eichenrode, Germany in Dennis Campbell(ed) *World Intellectual property rights and remedies* (Oceana New York 2011)23 while referring to the Federal Supreme Court’s decision at page [305] *Buromobelprogramm*, and *GRUR* (1983) at page [377], *Brombeermuster*; Article 4 of the German Copyright Act, states that selection or arrangement constitutes a personal intellectual creation, ‘Copyright Act (Urheberrechtsgesetz, UrhG)’ (Translated by WIPO, 8 May 1998) available at <<http://www.iuscomp.org/gla/statutes/UrhG.htm>> (accessed 15 March 2011) translated by WIPO, (accessed 15 March 2011); In words of Lewinski selection or arrangement must fulfil the requirement of personal intellectual creation, Silke Von Lewinski, ‘Protection of

2 of such Act protects “literary, scientific and artistic works”.¹⁰⁹⁸ German copyright law protects a work, which is an outcome of “personal intellectual creation”, although nothing definitely has been said about such intellectual creation.¹⁰⁹⁹ In certain cases, instead of stringent standard of originality and individuality, creativity requirement has been interpreted in liberal terms. For example, copyright protection is available for relatively trivial literary work like catalogues, printed forms, etc.¹¹⁰⁰ There have been three major decisions in Germany prior to incorporating Article 3 of the Database Directive. In the first of these three cases, the Court questioned copyrightability of a compilation of German medieval texts, which were already available in public domain.¹¹⁰¹ The Court contended that the act of adding scholarly notes, indexing and arranging individual sections reflected enough creativity to merit copyright protection. In the *WK Documentation* case similar sort of conclusion was reached involving collection of material comprising of the history of German Prisoners of War.¹¹⁰²

and vis-à-vis Databases: Germany’ in Marcel Dellebeke (ed), *Copyright in Cyberspace: Copyright and the Global Information Infrastructure* (Otto Cramwinckel, Amsterdam, 1997) 480; Owing to the harmonization of ‘work’ constituting of ‘author’s own intellectual creation’ at the EU level, for example in case of computer programs, the standard of originality requires low creativity, Gerhard Schricker, ‘Farewell to the “level of creativity”(Schopfungshöhe) in German Copyright Law?’ (1995) 26(1) IIC 41.

¹⁰⁹⁸ Copyright Act, section 2, paragraph 1, numbers 1-7, ‘Copyright Act (Urheberrechtsgesetz, UrhG)’ (Translated by WIPO, 8 May 1998) <<http://www.iuscomp.org/gla/statutes/UrhG.htm>> (accessed 15 March 2011).

¹⁰⁹⁹ Adolf Dietz, Germany in Paul Edward Geller and Melville B Nimmer (eds) *International Copyright Law and Practice* (Sweet & Maxwell 2009)sec 2[1][b].

¹¹⁰⁰ In Germany there is a copyright protection available, which does not need creativity but depends on the time and effort expended. It is called *Kleine Munze* (a small change), Bernt Hugenholtz, *Protection of Compilations of facts in Germany and the Netherlands* in Bernt Hugenholtz & Egbert J Dommering (eds) *Protecting Works of Fact: Copyright, Freedom of Expression and Information Law* (Kluwer Tax and Law Publishers 1991) 62.

¹¹⁰¹ *Monumenta Germaniae Historica* BGH- IZR 157/77 – December 7, 1979 in Vincent Porter, ‘The Copyright protection of compilations and pseudo-literary works in EC member states’ (1993) *Journal of Business Law* 22.

¹¹⁰² BGH- IZR 95/79 June 12, 1981 in Vincent Porter, ‘The Copyright protection of compilations and pseudo-literary works in EC member states’ (1993) *Journal of Business Law* 22.

The final case involved a degree thesis in biology. It contained examination and description of species that was not protected under copyright except the original contribution towards form and presentation.¹¹⁰³ All three decisions suggested that for material available in public domain, selection or arrangement must be sufficiently creative to justify copyright protection.¹¹⁰⁴ Moreover, protection is for the form and presentation in a compilation comprising of facts, and not for the information itself. The threshold of originality in Germany requires that compilations by virtue of their selection or arrangement should reflect personal intellectual creations.¹¹⁰⁵

In the German case of *R v Unauthorized Reproduction of Telephone Directories in CD-Rom (Telephone Directories)*, the alleged copyright infringement involved compilation of telephone directories.¹¹⁰⁶ Deutsche Telekom was involved in publishing telephone directories and customers lists in electronic format. The defendant scanned the contents of all directories, and reproduced subscribers list onto a CD with the option of search for the telephone subscribers. In the context of alleged infringement, the Court held that the directory in question was not an outcome of personal creation.¹¹⁰⁷

¹¹⁰³ BGH-IZR 106/78 November 21, 1980, in Vincent Porter, 'The Copyright protection of compilations and pseudo-literary works in EC member states' (1993) *Journal of Business Law* 22.

¹¹⁰⁴ Monumenta (n 1101); BGH- IZR 95/79 June 12, 1981; BGH-IZR 106/78 November 21, 1980, in Vincent Porter, 'The Copyright protection of compilations and pseudo-literary works in EC member states' (1993) *January(22) Journal of Business Law* 1.

¹¹⁰⁵ Section 4 of the Copyright Act, 1965, 'Copyright Act (Urheberrechtsgesetz, UrhG)' (Translated by WIPO, 8 May 1998) available <<http://www.iuscomp.org/gla/statutes/UrhG.htm>> (accessed 15 March 2011).

¹¹⁰⁶ [2002] ECDR 3.

¹¹⁰⁷ Dietz (n 1099).

Similar to other telephone directories the claimant gave attention to the general customary needs, and there was no selection process followed at the time of recording data in the telephone directory. There was no creativity present beyond the routine work and hence, the telephone directory in question lacked sufficient creative endeavour to merit copyright protection.¹¹⁰⁸

In the *Musical Hits* case, the Court held that there was no case for copyright protection, since the selection or arrangement did not amount to personal intellectual creation.¹¹⁰⁹ Here, the claimant compiled 'airplay' and music sales chart from musical hits on radio, which was displayed on a weekly basis including current placing, titles, artists, labels, etc. The charts were published in two periodicals. The defendant was engaged in publishing similar charts, although he followed a different selection or arrangement method. Further, in the *Warenzeichenlexika* decision the Federal Supreme Court said that telephone directories need individual decisions at the time choosing the possibilities of organizing an entry.¹¹¹⁰ Even limited opportunities of presentation should be sufficient. This requirement was not significantly stringent and in Germany there are inconsistencies present with the issue of copyrightability of telephone directories.¹¹¹¹ Given that information used in telephone directories is available in the public domain, the only possible

¹¹⁰⁸ Ibid.

¹¹⁰⁹ (Bundesgerichtshof (Tele-Info-CD) (I ZR 199/96) (Unreported, May 6, 1999) (Ger), in Mathias Leistner, 'The legal protection of telephone directories relating to the new database maker's right' (2000) 31(7/8) IIC 950.

¹¹¹⁰ Ibid.

¹¹¹¹ *Supra* (n 1109).

creativity in such directory can be attributed to selection, classification or arrangement of the information.¹¹¹²

In a different case, a collection of poems was held copyrightable.¹¹¹³ The published list of poems was a part of the “Classics Vocabulary Project”. It comprised of 1100 most important poems in German Literature between 1790 and 1900. There were different stages to the selection process. The first step involved selecting 14 of the 3000 anthologies and they were supplemented by bibliographic compilation of fifty German-language anthologies. This preliminary selection provided a list of 20,000 poems and the final list of 1100 poems was selected based on the number of times a particular poem has been mentioned. Poems mentioned at least three times in those anthologies became a part of the published list. The defendant copied 90% of those poems that appeared in the list. The Court held that there was copyright infringement, since the selection or arrangement of poems represents personal creation of the author.¹¹¹⁴ Comments suggest that the threshold for this case was somewhat less stringent than the standard expected under AOIC.¹¹¹⁵ The incorporation of

¹¹¹² Ibid.

¹¹¹³ In *Medizinisches Lexicon* – LG (District Court) Hamburg 12 July 2000 involving online medical lexicon, the court found sufficient creativity in structure of the database i.e. user-friendly information retrieval system. Hence, there was a case of database copyright infringement since the defendant linked the database, ‘Institute for information law: the Database Right file’, (Institute for Information Law) available at <<http://www.ivir.nl/files/database/index.html>>(accessed 11 January 2010).

¹¹¹⁴ Ibid.

¹¹¹⁵ *Bundesgerichtshof* (German Federal Supreme Court) 24 May 2007 in the case of *Directmedia Publishing and Albert- Ludwigs- Universitat-Freiburg in Adolf Dietz*(n 1099) sec 2[1][b]; This case also involved a question of extraction under the Database Right, which was referred to the ECJ. The ECJ considered that there was a case of database infringement in the context of extraction, *Directmedia Publishing GmbH* (n 201); *Anne Christopher and Kate*

Article 3 in the German copyright law may have brought about changes that are different from the traditional requirement.¹¹¹⁶ Copyright protection has been favoured in compilations comprising of facts, if such compilations have not been purely expressed in an obvious way.¹¹¹⁷ Some amount of creativity was present in all the cases that received copyright protection. This creativity should reflect in the work even if there are limited opportunities to showcase ‘author’s own personal creation’.¹¹¹⁸

3.1. Convergence to a Uniform AOIC Threshold: Obvious Compilation not Protected

While we observe application of Article 3 to compilations, it is clear that all three jurisdictions have refrained from protecting obvious compilations comprising of materials available in the public domain.¹¹¹⁹ These compilations failed to show any creative output either through selection or arrangement of the contents, or author’s personal creation or imprints of author’s personality.¹¹²⁰

For instance, in the UK, it was held that a collection of information about goals and description of a live football match may involve labourious work, but that would not satisfy the requirement under Article 3. While providing betting

Freeman, ‘Case comment: Directmedia Publishing GmbH v Albert-Ludwigs-Universitat Freiburg (Case C-304/07)’ (2009) 31(3) EIPR 151.

¹¹¹⁶ Leistner (n 1109).

¹¹¹⁷ Ibid.

¹¹¹⁸ Ibid.

¹¹¹⁹ *Supra* section 3.

¹¹²⁰ Ibid.

information, there were no two ways of informing a user.¹¹²¹ For instance, the claimant could not have omitted any of the facts, since they were vital for a person interested in placing his bet. The claimant followed an all-inclusive approach. They considered all available information in a live match, since any selection would have rendered the database useless.¹¹²² In cases like the one that we have discussed before, there is little room for any second comer interested in making similar database but to follow same selection or arrangement as the first database maker.¹¹²³ This case reveals that with respect to database copyright protection, UK has moved away from 'sweat of the brow' as the basis for granting copyright protection to databases.¹¹²⁴ One must remember that in UK it is possible to protect 'tables' and 'compilations' as a literary work based on 'sweat of the brow'.¹¹²⁵

In France, the act of compiling information available in public domain would not suffice the requirement of AOIC. There must be some creative aspect beyond deterministic compilation, such as the original arrangement in *Erhmann* case.¹¹²⁶ The courts will not provide protection to compilations, which are

¹¹²¹ [2011] EWCA Civ 330, [2011] 1 WLR 3044.

¹¹²² This follows the argument taken in the first draft proposal that in useful comprehensive databases there would be less selection, COM (92) 24 final, page [17].

¹¹²³ [2011] EWCA Civ 330, [2011] 1 WLR 3044.

¹¹²⁴ Citing two cases, *Newspaper Licensing Agency, Ltd. v Marks & Spencer, plc*, [2001] UKHL 38, [2013] 1 AC 551 and *Designers Guild Ltd. v Russell Williams (Textiles) Ltd.* [2000] 1 WLR 2416 it has been argued that in the UK, "'original skill and labour" cannot have the same meaning as "skill and labour."'. It symbolizes creativity-based test. Even the inclusion of originality in the statute has some bearing and logically, it is more than skill and labour; Gervais (n 460) page [49].

¹¹²⁵ Derclaye (n 1051) page [474].

¹¹²⁶ *Editions Législatives* (n 1087).

obvious.¹¹²⁷ Although obvious compilation will not receive protection, cases do not specify the extent of selection or arrangement to merit copyright protection.¹¹²⁸ At times, as in *Artprice.com*, it must be said that not enough evidence has been given to claim copyright protection.¹¹²⁹ In the *Artprice.com* case in France, there was no opportunity for the Court to provide an elaborate argument on copyright protection.¹¹³⁰ In the context of aforementioned trends, one can comprehend what the Court would have said in the background of the nature of effort expended by *Artprice.com*. The database consisted of information about paintings from all era, alongside the prices of those paintings at public auctions. There was no primary selection process adopted by the claimant. He opted for an all-inclusive mechanism. There was no unique plan followed, and the French Court in closing remarks suggested possible arrangement in relation to its form, composition, structure and language.¹¹³¹ For example, claimants could have arranged the database by starting with the price paid for the paintings, the era in which it was painted, and the name of painter. Further, they could have included short descriptions of the paintings similar to descriptions referred at the public auctions, and the names of such auctions.¹¹³² This arrangement mechanism is likely to merit copyright protection even after the all-inclusive selection.

¹¹²⁷ In *Editions Législatives*, the dictionary was not considered something, which only portrays collection of information available in the public domain.

¹¹²⁸ It has been questioned that "when one selects, does it mean keeping 30%, 60%, 90% or ...99% of the source?", *Vivant*(n 1027) page[78].

¹¹²⁹ Such criticism has been forwarded by scholars, *Beunen* (n 72) page [83].

¹¹³⁰ *Credinfor* (n 1090).

¹¹³¹ *Credinfor* (n 1090) page [205].

¹¹³² Although the actual requirement is not given, the aforementioned options could provide the required originality going by the previous decisions.

German cases similar to French decisions show that purely collecting information from public domain would not fetch copyright protection.¹¹³³ In the case of *Telephone Directories*, the Court indicated obvious alphabetic arrangement of information available in public domain.¹¹³⁴

With reference to the issue of obviousness in a compilation, these jurisdictions have struck a uniform note. In the context of the decision in *Football Dataco*, UK interpretation of AOIC also converges with the approach adopted in France and Germany.

3.2 Modicum of Creativity Required

Cases that supported copyright protection to factual compilations resorted to the requirement of modicum of creativity. This requirement is adopted if one observes the case involving poems in Germany.¹¹³⁵ The claimant selected a list of poems from a number of anthologies. Poems in the final list only appeared if they had been mentioned three times in the consulted anthologies. There was creativity at two stages: first, the author selected some poems from a collection of more than 3000 anthologies, and second, he restricted the collection to the final list of 1100 poems. He did not follow the all-inclusive approach namely,

¹¹³³ This has been somewhat depicted in *Telephone Directories* (n 1106), and in contrast with the *Monumenta Germaniae Historica* BGH- IZR 157/77 – December 7 , 1979 case where the arrangement was found to be sufficient.

¹¹³⁴ *Telephone Directories* (n 1106).

¹¹³⁵ Similar to the Feist case, the German courts are inclined to keep scientific knowledge in the public domain, case involving a degree thesis for biology BGH-IZR 106/78 November 21, 1980.

choosing all the anthologies.¹¹³⁶ At the second stage, the list of poems was not merely a comprehensive guide of all poems, but the selection criterion of at least three mentions was followed. Overall, one would expect some selection in a list featuring selected poems, and not a mere representation of an alphabetic list of all poems for a period of three hundred years.¹¹³⁷ Similar situation is with the Ehrmann decision in France.¹¹³⁸ The arrangement in the dictionary comprising of 400 collective agreements was thematic, and was not a mere alphabetic arrangement of documents that were available in the public domain. With thematic arrangements in place, there was rewriting of the essential elements in the dictionary. Since the adoption of the AOIC threshold in the UK, one observes the requirement of modicum of creativity with respect to copyright protection in databases. In the *Live Football* case, the Court did not consider creativity representing the activity of putting down goals scored and information related to a particular live football match as sufficient to merit copyright protection.¹¹³⁹ From the aforementioned cases it is clear that creativity that facilitates in crossing the barrier of obvious selection or arrangement would be considered as enough creativity. One may want to recall in this context the judgement of the *Football Dataco* case and the interpretation of CJEU.¹¹⁴⁰ The European Court laid down certain basic guidelines before the national courts

¹¹³⁶ This collection of poems, although useful cannot be referred to as a comprehensive database, COM (92) 24 final, page [17].

¹¹³⁷ Following this process would have likely stopped the database from receiving copyright protection, *Supra* section 3.

¹¹³⁸ *Editions Législatives* (n 1087).

¹¹³⁹ [2011] EWCA Civ 330, [2011] 1 WLR 3044.

¹¹⁴⁰ *Football Dataco* (n 58).

could assign the threshold of AOIC.¹¹⁴¹ Therefore, it was very important for member States to meet the basic guidelines. The aforementioned decisions certainly indicate that there is uniformity in this regard. These decisions also indicate that it would not difficult to meet the threshold requirement and therefore, it would not be farfetched to suggest that most of the databases would actually fulfill the requirement of creativity.¹¹⁴²

¹¹⁴¹ *Supra* (n 1074).

¹¹⁴² Similar suggestions were made in the *Feist* decision, *Feist Publications* (n 4).

CHAPTER V

***FEIST* JURISPRUDENCE IN DATABASE**

DIRECTIVE

Feist has deeply influenced the structure of the Directive. The jurisprudence that has developed as a result reflects submission to the guidelines of *Feist*.¹¹⁴³ In particular, harmonization of copyright protection for databases under Article 3 resembles the standard developed in the judgement of the US Supreme Court.¹¹⁴⁴ Following the impact of *Feist*, there have been positive developments such as freeing of factual information available in public domain.¹¹⁴⁵ Examples suggest that producers are interested in improving the presentation of factual contents in compilations rather than contemplating free availability of data. By virtue of this arrangement, their directories are copyrightable. If this was a positive impact of *Feist* jurisprudence, the negative implication involves uncertainty surrounding the formation of Database Right.¹¹⁴⁶ This chapter covers the aforementioned issues in the context of the influence of *Feist*.

1.0 Resemblance of *Feist* standard

¹¹⁴³ *Infra* section 1.

¹¹⁴⁴ *Infra* section 2.

¹¹⁴⁵ *Infra* section 3.

¹¹⁴⁶ *Infra* section 4.

It is interesting to observe that there are some apparent similarities with the guidelines that the US Supreme Court had suggested in the *Feist* decision.¹¹⁴⁷ This is in relation to the threshold of AOIC suggested by the member courts.¹¹⁴⁸ One also observes certain similarities with the judgement of CJEU in the *Football Dataco* case.¹¹⁴⁹ The approach of the European Courts and the US Supreme Court shares certain commonality, and it remains to be seen whether the adopted standard in both the continents is same.

1.1. Minimum Creativity Through Lens of a Second Comer

In *Feist*, the US Supreme Court suggested that the requirement of creativity in case of compilations need not be novel.¹¹⁵⁰ Instead, a modicum of creativity is sufficient to hold non-original forms of compilations original.¹¹⁵¹ The previous chapter represented that the threshold comprehended by courts in United Kingdom and other European countries is modest.¹¹⁵² In Germany, the modicum of creativity test was applied in the copyright case involving compilation of poems.¹¹⁵³ It did not feature a comprehensive guide of all poems; instead, the compiler followed a selection criterion.¹¹⁵⁴ The Court recognized that the compilation in question was not a mere representation of an

¹¹⁴⁷ *Feist Publications* (n 4).

¹¹⁴⁸ *Supra* chapter IV, section 3.

¹¹⁴⁹ *Football Dataco* (n 58).

¹¹⁵⁰ *Feist Publications* (n 4) page [358].

¹¹⁵¹ *Ibid.*

¹¹⁵² *Supra* chapter IV, section 3.2.

¹¹⁵³ Similar to the *Feist* case, the German courts are inclined to keep scientific knowledge in the public domain, case involving a degree thesis for biology BGH-IZR 106/78 November 21, 1980.

¹¹⁵⁴ *Supra* (n 1113).

alphabetic list of poems covering three hundred years.¹¹⁵⁵ Similar to the German case, the French Court in *Editions Législatives* found copyright protection for the dictionary.¹¹⁵⁶ In France and Germany, this trend was followed even prior to enacting the Database Directive.¹¹⁵⁷ The situation in the UK, however, was different.¹¹⁵⁸ Since adopting the Directive in CPDA, threshold requirement associated with AOIC was similar to the trend that is observed in France and Germany.¹¹⁵⁹ As in *Live Football* case, the Court did not consider trivial creativity. It disregarded the act of putting down information of a live football match as sufficient for copyright protection.¹¹⁶⁰ Going by the decisions, it is clear that non-original compilations will be deemed original if there is a modicum of creativity present in selection or arrangements of contents.

The cases in Germany, France, UK and US discussed copyrightability of extremely diverse items. These include compilation of poems, a dictionary, football match database and the telephone directory involved in the *Feist* decision.¹¹⁶¹ There could not be one possible standard of creativity set for all these diverse items, since in relative terms, the threshold of creativity required in case of a dictionary is different from the threshold requirement in case of a

¹¹⁵⁵ *Supra* (n 1113).

¹¹⁵⁶ *Editions Législatives* (n 1087).

¹¹⁵⁷ This is even with the difference in phraseology in the two civil law countries i.e. 'imprints of author's personality' and 'personal creation'. If one observes the cases prior to the incorporation, it is evident that mere effort in producing a compilation would not merit copyright protection.

¹¹⁵⁸ At least now things are different for databases.

¹¹⁵⁹ [2011] EWCA Civ 330, [2011] 1 WLR 3044.

¹¹⁶⁰ *Ibid.*

¹¹⁶¹ *Supra* (n 1113), (n 1087), (n 1121) and (n 4).

telephone directory. Therefore, to identify the extent of similarity between threshold of AOIC and the prescribed threshold under *Feist*, it is required to identify a common parameter that will help in establishing the connection between *Feist* threshold and AOIC. This common parameter should be uniform across any kind of compilations consisting of factual information.

The Court in *Feist* delivered a judgement that not only decided the fate of a telephone directory consisting of factual contents, but also provided a guideline for future cases relating to telephone directories and other similar compilations with factual information.¹¹⁶² Through *Feist*, the US Supreme Court identified the burgeoning need of information, and the role of factual compilations. The directory in question was a result of labourious work.¹¹⁶³ Although the Court rejected 'sweat of the brow' as an argument for copyright protection, it provided certain assurance to the makers of factual compilations by way of expecting minimal creativity.¹¹⁶⁴ With reference to AOIC, cases decided in Europe suggested certain standards of creativity for compilations of diverse nature. In comparison to *Feist*, they have not explicitly stated that the threshold requirement for any such future compilations is minimal.¹¹⁶⁵ Unlike the US Supreme Court, there is no such clear indication given by the European Courts.¹¹⁶⁶ However, decisions in Europe suggest that requirement for any

¹¹⁶² Cases after *Feist* decision in the US followed the guidelines of *Feist*. *Supra* chapter II, section 4.

¹¹⁶³ *Feist Publications* (n 4).

¹¹⁶⁴ *Ibid* page [362].

¹¹⁶⁵ *Supra* chapter IV, section 3.

¹¹⁶⁶ *Ibid*.

such similar compilation is likely to be minimal.¹¹⁶⁷ Jurisprudence surrounding the threshold standard of AOIC is in its formative stage in Europe. It has slowly begun to gain consensus after the passage of the Directive in 1996.¹¹⁶⁸

Alongside the minimal requirement of creativity, *Feist* decision provided guidelines for future compilations of similar nature. For any compilation consisting of factual information, selection or arrangement at the stage of compiling such contents should not be deterministic.¹¹⁶⁹ It means that in order to make a particular compilation meaningful, the adopted method of selection or arrangement should not be the only way to represent the contents.¹¹⁷⁰ In case of a compilation, if there are no two ways of representing the contents, then the selection or arrangement in relation to the contents would be obvious.¹¹⁷¹ Therefore, in relation to those compilations, no particular creativity is attached to merit copyright protection and they will remain outside the ambit of copyright.¹¹⁷² This general criterion in relation to factual compilations can be observed in cases decided so far in Europe. In the case involving the *Live Football* case, there were no two ways of putting across information that were vital for placing bets.¹¹⁷³ In fact, it was not possible for the claimant to adopt any selection mechanism because a person must take an informed decision before

¹¹⁶⁷ Ibid.

¹¹⁶⁸ Council Directive 96/9/EC.

¹¹⁶⁹ *Supra* chapter II, section 4.

¹¹⁷⁰ *Victor Lalli* (n 566) page [673].

¹¹⁷¹ Ibid.

¹¹⁷² *Football Dataco* (n 58) page [341].

¹¹⁷³ *Supra* (n 1121).

placing his bet.¹¹⁷⁴ Moreover, there was not much scope to arrange data in a way to attract copyright protection, since the makers had to follow the traditional way of presenting data that suits the audience of such football database.¹¹⁷⁵ Therefore, the claimant followed an all-inclusive approach to retain the utility of the database. For this kind of database, there is little room for a second comer to alter the presentation. The decision indicates agreement with the decision of *Feist*.¹¹⁷⁶ One has to however, remember that the decision did not contemplate the position of databases that are an outcome of obvious and deterministic selection or arrangement. The case is an example of new-age jurisprudence concerning the future of copyright protection to databases with deterministic or obvious selection or arrangement.¹¹⁷⁷

The case in UK is one of the many instances wherein the European Courts have implicitly come up with the parameter of obvious and deterministic selection or arrangement.¹¹⁷⁸ In *Telephone Directories*, the German Court indicated that an obvious and deterministic alphabetic arrangement of information available in public domain lacked the creativity threshold required

¹¹⁷⁴ *Football Dataco* (n 58).

¹¹⁷⁵ Similar to Victor Lalli where the claimant depended on the functional grid, *Supra Victor Lalli* (n 566) page [673].

¹¹⁷⁶ If any publisher were to design a similar directory as created by Rural there would be no other way than to strictly follow the procedure followed by Rural in *Feist* decision, *Feist Publications* (n 4).

¹¹⁷⁷ This is contrary to new line of jurisprudence as proposed in the first draft proposal of the Database Directive, (COM (92) 24 final), para [2.3.3].

¹¹⁷⁸ *Supra* (n 1121).

under the AOIC.¹¹⁷⁹ Following the German and the British decisions, the French Court in the *Artprice.com* case followed the same argument.¹¹⁸⁰

So far, the idea of minimum creativity is present in both continents. These are yet early days to explain whether the existing jurisprudence concerning AOIC threshold exactly matches the threshold of minimum creativity prescribed by *Feist*. It is fair to say that the point of agreement at this stage rests on whether a particular compilation can be compiled in a meaningful manner by a second comer, which will incorporate a different selection or arrangement.¹¹⁸¹ Further, it will be different from the first maker, and involves modicum of creativity.¹¹⁸² This position is somewhat indicated in the UK decision concerning copyrightability of a fixture list wherein Mr. Floyd J suggested that there should more than one meaningful way of presenting the contents in a factual compilation.¹¹⁸³ The copyrightability of a factual compilation is thus tested through the lens of creative opportunity available to a second comer. This is an accepted standard that came out of *Feist* decision and is indicative of decisions in Europe.

1.2 Pre-Existing Work, Use of Computer and ‘Sweat of the Brow’

The threshold of AOIC is going through a transition phase where it is noted that manual labour of simply collecting and compiling factual data has been slowly

¹¹⁷⁹ *Telephone Directories* (n 1106).

¹¹⁸⁰ *Credinfor* (n 1090.).

¹¹⁸¹ *Supra Feist Publications* (n 4) and Chapter IV, section 3.

¹¹⁸² *Ibid*

¹¹⁸³ *Football Dataco 2* (n 58); This is an objective requirement unlike the subjective requirement under author’s right system, Gervais (n 460) page [952].

replaced by modern methods of compiling information.¹¹⁸⁴ One of the important factors in case of factual compilations is the use of technology. Reference to such use is observed in the *Football Dataco* case in UK.¹¹⁸⁵ Technology in these cases facilitates the collection of data and helps at the stage of data compilation.¹¹⁸⁶ The issue at hand is whether use of technology affects the creativity, which is required to merit copyright protection.

According to the judgement in *Football Dataco.*, the computer could not have performed the entire process of creating the fixture list.¹¹⁸⁷ There was an application of individual discretion and judgement. Using computer as a tool does not altogether eliminate the role of discretion or judgement.¹¹⁸⁸ This perspective of using a particular technology, and its effect on overall creativity of a compilation was not discussed by the US Supreme Court in *Feist*.¹¹⁸⁹ There was a collection of contact details of customers who subscribed to the telephone service.¹¹⁹⁰ Although there was no explicit mention of the use of technology, this aspect cannot be neglected. Even though there were no computers involved in the telephone directory published by Rural, the act of publishing itself is most likely to involve use of certain type of technology. For instance, you would require access to a printing press to publish telephone

¹¹⁸⁴ For instance in France, Dreier (n 1079).

¹¹⁸⁵ *Football Dataco.2 Ltd* (n 58) para [22].

¹¹⁸⁶ *Ibid.*

¹¹⁸⁷ *Ibid.*, para [15].

¹¹⁸⁸ Mr. Glen Thompson representing the claimants and was the person engaged in pairing and sequencing, *Football Dataco 2* (n 58) para [15].

¹¹⁸⁹ *Feist Publications* (n 4).

¹¹⁹⁰ *Ibid.*, page [342].

directories. Similar to a computer used in the football fixture case, the printing press would give final shape to the data collected for the purpose of the telephone directory in question.¹¹⁹¹ Therefore, there is the broad use of technology in both cases.

The use of technology divides the work into two stages: the first stage is where a person uses his discretion to select and arrange the contents, and the second stage where the maker of a database uses technology to compile his selection or arrangement.¹¹⁹² In *Feist*, the US Supreme Court said that the telephone directory of Rural was typical by nature. The arrangement followed in the white pages was an inevitable outcome for someone interested in producing a telephone directory.¹¹⁹³ Rural issued an application form to the subscribers who were interested in their service. Based on the application form, they alphabetically listed the names of subscribers.¹¹⁹⁴ In the opinion of Justice O' Connor, "the end product is a garden-variety white pages directory, devoid of even the slightest trace of creativity".¹¹⁹⁵ This statement develops an inextricable link between 'creative work' at the early stages to the final manifestation of the product. The work leading up to the telephone directory has been questioned and usage of words like 'end product' reflects the outcome of creativity depending on prior work. In other words, Rural did not

¹¹⁹¹ *Football Dataco2 Ltd* (n 58), para [15].

¹¹⁹² *Ibid* paras [12] – [21].

¹¹⁹³ *Feist Publications* (n 4) page [363].

¹¹⁹⁴ *Football Dataco* (n 58) page [362].

¹¹⁹⁵ *Feist Publications* (n 4) page [363].

follow any selection mechanism.¹¹⁹⁶ Such approach affected the creative output, and moreover, adoption of a selection mechanism may have resulted in a different outcome. Although there is no reference to the possible use of technology, according to *Feist*, work done at the primary stage will have an overall bearing on the database.¹¹⁹⁷

Therefore, certain amount of creativity goes into selection or arrangement of contents at a preparatory stage, which are represented by technology at the second stage.¹¹⁹⁸ In fact, effective support for this argument is present in 1st draft proposal of the Database Directive. According to the proposal, there would be selection process on the part of the author despite using computer technology at some stage of making the database.¹¹⁹⁹ Further, selection mechanisms and individual discretion is likely to influence the structure of a database.¹²⁰⁰ The decision in *Football Dataco* case is an extension of what has been suggested in the 1st draft proposal of Database Directive. The use of technology would not fundamentally change the extent of creativity in a database if there is little or no creativity at the stage of selecting or arranging data at the initial stages.¹²⁰¹ Therefore, regardless of the use of technology, the preparatory stage is fundamental for a database to merit copyright protection.

¹¹⁹⁶ *Feist Publications* (n 4) pages [363]-[364].

¹¹⁹⁷ *Ibid*, page [363].

¹¹⁹⁸ *Football Dataco 2* (n 58); The creativity argument was discarded by the CJEU in this case based on the scope of the Directive, *Football Dataco* (n 58).

¹¹⁹⁹ (COM (92) 24 final), para [3.1.8].

¹²⁰⁰ *Football Dataco 2* (n 58); *Supra* chapter II, section 4.

¹²⁰¹ *Football Dataco 2* (n 58), para [44].

Although the two cases raised the importance of preparatory work, there is a fundamental difference between these two sets of work. In case of *Feist*, Rural collected pre-existing data; and in the *Football Dataco* decision, Football Dataco created the data for subsequent use.¹²⁰² At the time of referral, the CJEU said that the accepted creativity under the AOIC threshold excluded creativity which went into creation of data.¹²⁰³ Instead, selection or arrangement that went into final database was an accepted threshold under AOIC.¹²⁰⁴ The CJEU was silent as to the status of creativity in selecting or arranging factual data, since it considered creativity towards the creation of data and not towards pre-existing factual data.¹²⁰⁵ Though *Feist* and *Football Dataco* are vastly different in their legal approach; nonetheless, there is a fundamental commonality in the two decisions: discarding the ‘sweat of the brow argument’.¹²⁰⁶ It was on this point that these two cases agreed upon. Both the decisions discussed the nature of work, thereby removing possibility of using ‘sweat of the brow’ argument to merit copyright protection.¹²⁰⁷

1.3 Point of Departure: Quantitative Factor

Although the quality of selection or arrangement in a compilation merits copyright protection, there is no clear indication about the impact of quantitative factors in a compilation. The *Football Dataco* decision in England suggested

¹²⁰² *Feist Publications* (n 4); *Football Dataco2 Ltd.*(n 58).

¹²⁰³ *Football Dataco* (n 58) pages [193]-[194].

¹²⁰⁴ *Ibid.*

¹²⁰⁵ *Ibid.*

¹²⁰⁶ *Football Dataco 2* (n 58) paras [89]-[90].

¹²⁰⁷ *Feist Publications* (n 4); *Football Dataco* (n 58).

that quantity is an important factor to decide copyrightability of a compilation.¹²⁰⁸ This is besides the standards other than the quality of selection or arrangement in a compilation.¹²⁰⁹ For example, a compilation constituting of 1000 poems is likely to merit copyright protection than a compilation, consisting of 100 poems. The argument was based on Recital 19 of the Directive, and the guideline that only several recordings would not satisfy requirements of Article 3 and 7.¹²¹⁰ It is not clear as to what extent quantity plays a role in comparison to quality, and to what proportion the quantity factor should be considered for the purpose of copyright protection. Going back to *Feist*, one observes that *Rural* incorporated large number of subscribers in its compilation.¹²¹¹ The issue of number of subscribers in *Rural's* telephone directory was not discussed by the US Supreme Court. If quantity had been a criterion, then the US Supreme Court would have possibly agreed with the claim of copyright protection for the directory in question. On the contrary, the US Supreme Court said that the compilation lacked a quality, which was not represented by merely compiling large number of factual data.¹²¹² The US Supreme Court was certainly a lot less interested with total number of subscribers, being concerned with the quality of representation.

From a different perspective, if *Rural's* compilation had a lot less subscribers but satisfied the modicum of creativity requirement, would it have successfully

¹²⁰⁸ *Football Dataco 2* (n 58), para [86].

¹²⁰⁹ *Ibid.*

¹²¹⁰ Council Directive 96/9/EC.

¹²¹¹ *Feist Publications* (n 4).

¹²¹² *Ibid*, page [363].

claimed copyright protection? To understand this situation one must understand the significance of less number of subscribers. If the numbers are less, in all likelihood such situation will act for the benefit of the claimant, since it signifies a selection process from a large number of subscribers.¹²¹³ On the other hand, the numbers may not be a true representation of any selection process. It depends on total number of subscribers from which selection process was carried out.¹²¹⁴ After all, ending up with a lot less numbers in the final compilation may actually signify all-inclusive selection, if there was small numbers to begin with. Therefore, numbers in a compilation may not be true indicators of creativity, which is required to merit copyright protection. Numbers are the starting point of assessing creativity, and they are certainly helpful indicators at the time of comparing the selection process. Say for instance, the German case where limited number of poems was selected from a pool of 30,000 anthologies. Here, the final number of 1100 poems did help to fathom the creativity that went through in selecting the poems.¹²¹⁵

Therefore, purely numbers in any compilations is a not a true representation of creativity.¹²¹⁶ Numbers merely act as a tool to assess the quality of creativity. In fact, the Court in England has rightly pointed to the role of the quantitative

¹²¹³ Selection would entail modicum of creativity as prescribed in the *Feist* case, *Feist Publications* (n 4) page [346].

¹²¹⁴ Rural compiled the alphabetical list of all its subscribers as per statutory requirement, *Feist Publications* (n 4) page [342].

¹²¹⁵ 'Institute for information law: the Database Right file', (Institute for Information Law) available at <<http://www.ivir.nl/files/database/index.html>> (accessed 11 January 2010).

¹²¹⁶ *Feist Publications* (n 4) page [342].

factor without describing the role.¹²¹⁷ Merely identifying numbers in a compilation would give varied interpretation, and will also mean that database makers would have to ensure that both qualitative and quantitative parameters are satisfied to merit copyright protection.¹²¹⁸

While explaining the threshold for AOIC, there has been an explicit identification of both the parameters.¹²¹⁹ This is a slight departure from the *Feist* interpretation, although in an implicit way, *Feist* spoke similarly on issue of qualitative and quantitative parameters.¹²²⁰

There are certain similar aspects if one compares *Feist* to the AOIC threshold. Interpretation of the AOIC threshold broadly represents the principles that have been put forth by US Supreme Court in *Feist*. Cases concerning AOIC have provided additional clarifications, especially with reference to the impact of technology on compilations.¹²²¹ We have not come across situations where two diametrically opposite propositions have been suggested.¹²²²

¹²¹⁷ *Football Dataco 2* (n 58), para [86].

¹²¹⁸ *Rodgers* (n 968).

¹²¹⁹ *Football Dataco 2* (n 58), para [86].

¹²²⁰ *Feist Publications* (n 4) pages [363]-[364].

¹²²¹ *Football Dataco 2* (n 58), para [22].

¹²²² *Supra* section 1.

The AOIC or copyright aspect in the Database Directive was drafted six years subsequent to the US Supreme Court decision in *Feist*.¹²²³ So far, there have not been any indications to suggest that the European Courts came to their respective decisions following the verdict of US Supreme Court in *Feist*. This situation however, does not exclude the possibility that the scope of Article 3, covering AOIC, is a European representation of *Feist* decision.¹²²⁴ The extent of influence, or any influence for that matter, can be traced from events surrounding the time of the enactment of Article 3.

2.0 Historical Influence of Feist in AOIC

Following the Green Paper in 1988, the European Commission proposed the first draft of the Database Directive.¹²²⁵ Harmonization of available copyright protection led to the development of AOIC threshold.¹²²⁶ While the changes that have taken place are distinct,¹²²⁷ ascertainment of the origin of AOIC threshold will be observed through an analysis of the pathway followed prior to enacting Article 3.

The Green Paper to the first draft proposal of the Directive reflected upon various challenges that could affect the potential and emerging electronic

¹²²³ Council Directive 96/9/EC.

¹²²⁴ *Infra* section 2.

¹²²⁵ (COM (88) 172 final); (COM (92) 24 final).

¹²²⁶ First Evaluation of Directive, 96/9/EC, para [1.1]

¹²²⁷ *Supra* chapter IV, section 3.

database market in Europe.¹²²⁸ Where the contents were not literary or artistic works, there was no legal certainty in terms of copyright protection to compilations.¹²²⁹ The Commission perceived that for comprehensive electronic databases comprising of factual contents, it would be difficult to merit copyright protection.¹²³⁰ There would be little or no selection, and arrangement would be absolutely mundane. This uncertainty and anxiety led to the reference of the issue to the Legal Advisory Board (LAB) and the Senior Advisory Board (SOAG) to unravel the legal challenges that impede the growth of European database market.¹²³¹ The Green Paper acted as a prelude to start the process of an emerging idea of creating additional protection for electronic databases comprising of factual contents.¹²³² At this stage there was no explicit desire to formulate a policy of harmonizing the threshold for copyright protection of databases in Europe. Even though there was no explicit desire, the paper identified difference in copyright protection of databases in the member States.¹²³³ This was owing to the difference in threshold requirement of originality. In response to the Green Paper, the stakeholders overwhelmingly supported role of copyright in protecting databases.¹²³⁴ They suggested that there should be harmonization of the existing copyright protection in member States with the criterion being compatible with the Berne threshold.¹²³⁵ Going by the proposal, the Commission suggested that a Directive proposing

¹²²⁸ (COM (88) 172 final); (COM (92) 24 final). .

¹²²⁹ (COM (88) 172 final), section 6.3.

¹²³⁰ Ibid, para [6.3.2].

¹²³¹ Ibid, para [6.2.1].

¹²³² Ibid, section 6.1.

¹²³³ (COM (88) 172 final), paras [6.2.1] and [6.3.1]

¹²³⁴ (COM (90) 584 final), paras [6.2.1] and [6.2.2].

¹²³⁵ (COM (90) 584 final), para [6.2.2].

harmonization of copyright protection for the legal protection of databases should be adopted.¹²³⁶

Similar to Green Paper, the first draft proposal re-iterated concerns with the protection of databases in Europe. It expressed the desire to create protection measures for electronic databases that contained factual information.¹²³⁷ In this context, application of Article 2.5 of Berne was questionable, since the scope does not explicitly covers electronic databases.¹²³⁸ The Proposal for a Directive was only for electronic databases where “contents are arranged, stored and accessed by electronic means”.¹²³⁹ This does not mean that the Directive was in disagreement with the Berne structure or did not conform to the Berne standard. The overall framework of recognizing AOIC by way of selection or arrangement of the contents in a database was followed.¹²⁴⁰ However, the proposal in clear terms stated that the scope of the Directive, especially in relation to the copyright protection is not limited to scope determined under Article 2.5 of the Berne Convention.¹²⁴¹ In the background of an ever increasing possibility of the European database market, the Commission was not convinced with different copyright measures present in the member States.¹²⁴² This was in addition to the confusion over the application of Berne

¹²³⁶ Ibid, para [6.3.2].

¹²³⁷ Ibid, para [6.2.2].

¹²³⁸ (COM (92)24 final), para [2.2.4].

¹²³⁹ Ibid, para [3.1.10].

¹²⁴⁰ Ibid, para [5.3.1].

¹²⁴¹ Ibid, para [2.1].

¹²⁴² Ibid, para [2.2.3].

standard.¹²⁴³ Therefore, a basic need was identified to harmonize the level of protection to create a sense of stability among stakeholders. In the course of harmonization, the first draft proposal referred to US Copyright threshold for electronic databases.¹²⁴⁴ Although the issue protecting electronic databases was relatively new in US, the Commission consulted the historic *Feist* decision concerning copyrightability of a telephone directory. The *Feist* example was treated as a threat towards protection of electronic databases.¹²⁴⁵ Although the case of a telephone directory was a prelude to set up a new protection for comprehensive databases, it also set up the tone for the structure and threshold of copyright protection for databases.¹²⁴⁶ Therefore, the structure and threshold conceived in the Directive reflected the exercise of choice, and the possibility of exercising the intellectual ability of database maker through the selection or arrangement of contents.¹²⁴⁷

2.1 Green Paper to First Draft Proposal: From Berne Standard to Recognition of *Feist*

There is clear indication that overall framework relating to selection or arrangement, which is foundational to satisfy the requirement of AOIC was within contemplation even prior to first draft proposal of the Database

¹²⁴³ Ibid, para [2.2.4].

¹²⁴⁴ Ibid, paras [2.3.1] – [2.3.3].

¹²⁴⁵ Ibid, para [2.3.3].

¹²⁴⁶ *Feist Publications* (n 4).

¹²⁴⁷ *Infra* section 2.1.

Directive.¹²⁴⁸ Consensus in the follow-up report to the Green Paper shows that stakeholders referred to Berne at the time of discussing copyright threshold for databases.¹²⁴⁹ However, at the time of first draft proposal, the Commission was very clear about the scope of the Directive.¹²⁵⁰ Although the Directive was proposed to be within the broader framework of the Berne Convention, the purpose behind the Directive was different from the Berne proposal on the collections of literary or artistic works.¹²⁵¹ This shows that the foundation, thought process and threshold standard of the harmonized AOIC in EU was not an exercise to harmonize and reiterate the Berne standard.¹²⁵² Therefore, final shape and structure associated with AOIC has been an outcome considerably influenced by the circumstances at that time. This indicates, and raises the possibility that those circumstances could have possibly originated outside of and are external to Europe. The biggest challenge at the time of drafting the first proposal was less availability of jurisprudence relating to treatment of electronic databases.¹²⁵³ Although the Commission believed that electronic databases need further incentive, there was no clear indication through case law about the extent of challenge that electronic databases were likely to face

¹²⁴⁸ (COM (88) 172 final).

¹²⁴⁹ (COM (90) 584 final), para [6.2.2].

¹²⁵⁰ (COM (92)24 final), section 3.

¹²⁵¹ "Collections of literary or artistic works such as encyclopedias and anthologies which, by reason of the selection and arrangement of their contents, constitute intellectual creations shall be protected as such, without prejudice to the copyright in each of the works forming part of such collections.", Berne Convention for the Protection of Literary and Artistic Work available at <http://www.wipo.int/treaties/en/text.jsp?file_id=283698#P85_10661> (accessed 7 November 2009)

¹²⁵² (COM (92)24 final), para [2.2.4].

¹²⁵³ (COM (92) 24 final.) , paras [2.3.3] and [2.2.9]; *Waterlow Directories v Reed Information Services* [1992] FSR 409.

in future.¹²⁵⁴ The only available option was *Feist* that related to paper-format database in a different jurisdiction.¹²⁵⁵ The reference to this decision was again a shift from the Green Paper.¹²⁵⁶ Decision of *Feist* was not even remotely contextualized, nor its threshold at the time of contemplating, harmonized threshold of copyright protection for databases in Europe. In fact, *Feist* case was still at the stage of argument when the report following the Green Paper came out on January 17th, 1991.¹²⁵⁷ *Feist* was decided on March 27th, 1991.¹²⁵⁸ Therefore, it is unlikely to have any influence on the threshold of copyright protection at the stage when there were discussions about the possibility of protecting databases through the use of copyright. However, things were different when the first proposal for legal protection of databases came out in 1992.¹²⁵⁹ By that time the US Supreme Court had removed the confusion relating to the use of ‘sweat of the brow’ as an argument for copyright protection.¹²⁶⁰ In the context of first draft proposal, importance of this case is immense. The argument for a separate protection for electronic databases that are unlikely to be protected under copyright revolved around this case.¹²⁶¹ Other than the argument of a separate protection, *Feist* decision also served as an example to suggest that the threshold of AOIC.¹²⁶² In the absence of any immediate jurisprudence, the Commission considered *Feist* decision as a

¹²⁵⁴ Ibid.

¹²⁵⁵ Ibid, para [2.3.3].

¹²⁵⁶ (COM (88) 172 final).

¹²⁵⁷ (COM (90) 584 final).

¹²⁵⁸ *Feist Publications* (n 4).

¹²⁵⁹ (COM (92) 24 final).

¹²⁶⁰ *Supra* chapter II, section 2.

¹²⁶¹ (COM (92) 24 final.), para [2.3.3].

¹²⁶² *Supra* section 1.

standard that could be followed in Europe, and also the standard that shows the jurisprudence concerning copyrightability of factual databases.¹²⁶³

2.2 *Feist* Threshold as an Accepted Norm

Feist played a role in removing confusion that was present in relation to copyrightability of factual compilations, although the threshold was well accepted in majority of circuit courts in US even before the verdict of the US Supreme Court.¹²⁶⁴ In comparison, Europe had a relatively cleaner slate at the time of introducing AOIC threshold, although there were differences in understanding and adhering to the threshold of originality with regards to copyright.¹²⁶⁵ *Feist* was a ready reference and the extent of adoptability remained the discretion of the Commission.¹²⁶⁶

The *Feist* reference at the preparatory stage of the Directive was not just an ordinary remark relating to law at a different jurisdiction.¹²⁶⁷ It marked the emergence of jurisprudence when a foreign case influenced structure of the Directive at a formative stage.¹²⁶⁸ While deciding on the extent of using the *Feist* standard, the Commission had two options. The first option was to adopt the threshold standard as it has been suggested by the US Supreme Court,

¹²⁶³ Ibid.

¹²⁶⁴ *Supra* chapter II, section 2.

¹²⁶⁵ *Supra* chapter IV, section 3.

¹²⁶⁶ (COM (92) 24 final.), para [2.3.3].

¹²⁶⁷ (COM (92) 24 final.), para [2.3.3].

¹²⁶⁸ Ibid.

and the second option was to moderate the decision and apply the standard as per European requirement.

It was difficult to understand the requirement in Europe, since there was limited available jurisprudence on the treatment of electronic databases.¹²⁶⁹ The decision in *Waterlow Directories v Reed Information Services* which involved a Solicitor's Diary consisting of names and addresses of firms of solicitors decided copyright protection based on the effort expended towards the collection of the names and addresses.¹²⁷⁰ The diary had 12,620 entries and the defendant copied 1600 entries to update its directory named *Butterworths Law Directory*. In this case the defendant had reproduced these entries onto a computer.¹²⁷¹ There was concern about the non-existent basic harmonized structure, and the Commission felt that it needs immediate attention in the wake of electronic database market.¹²⁷² Therefore, there was not much scope for the Commission to follow the second option. If the second option was not feasible, the first option was challenging, since it involved complete adoption of the threshold from a foreign jurisdiction to Europe.

The draft proposal considered most of the arguments and parameters pronounced by US Supreme Court in *Feist*.¹²⁷³ The Commission also agreed to

¹²⁶⁹ (COM (92) 24 final.), para [2.2.9].

¹²⁷⁰ [1992] FSR 409.

¹²⁷¹ Ibid.

¹²⁷² (COM (92) 24 final), para [2.2.5].

¹²⁷³ (COM (92) 24 final), para [2.3.3].

the crux of *Feist* judgement, which stated that copyright should not come to the rescue of cases involving an ordinary telephone directory or a mundane bibliographical indexing, where it is not possible to show creativity in terms of selection or arrangement.¹²⁷⁴ Role of copyright in case of factual compilations was limited to *Feist* decision and to the standards stated by the US Supreme Court.¹²⁷⁵ Further, the Commission was assured that most compilations would come under the prescribed threshold of copyright protection.¹²⁷⁶ Therefore, modicum of creativity is sufficient to meet the designated threshold of AOIC.¹²⁷⁷ This is a reiteration of the *Feist* position where most compilations would receive protection based on the standard laid down by the US Supreme Court.¹²⁷⁸ The decisions discussed in the previous chapter suggested that European Courts have followed requirement perceived in the database proposal.¹²⁷⁹ Thus, minimum creativity came to the forefront, and AOIC did not arrive at a stringent application of creativity.¹²⁸⁰ Overall, the Commission followed the first option, and ensured complete transfer of the *Feist* threshold in the European scene through the incorporation of Article 3.

¹²⁷⁴ (COM (92)24 final), paras [3.2.4] – [3.2.6].

¹²⁷⁵ Ibid.

¹²⁷⁶ Ibid, para [3.2.5].

¹²⁷⁷ It has been already observed that the threshold of AOIC revolves around modicum of creativity, *Supra* chapter IV, section 1.3.2.

¹²⁷⁸ *Feist Publications* (n 4) page [345].

¹²⁷⁹ *Supra* chapter IV, section 1.3.2.

¹²⁸⁰ *Supra* chapter IV, section 1.3.2.

2.3 Threshold Remained Unchanged

While *sui generis* has undergone many changes in terms of structure and scope, there was no change to the AOIC threshold in the period between the first draft and final Directive.¹²⁸¹ One has to remember that the primary objective of the Directive was to design a *sui generis* right for electronic databases that are unlikely to come within the ambit of copyright protection.¹²⁸² Logically, the starting point had to be copyright, since it provided a primary basis for protecting compilations in the member States.¹²⁸³ Moreover, the harmonized threshold of copyright protection for databases could only ensure uniform application of *sui generis* right in the member States.¹²⁸⁴ Therefore, while we find number of changes in *sui generis* part in the course of four years from first draft proposal to the final Directive, there were no substantive changes proposed in the copyright part of the Directive.¹²⁸⁵ The copyright part was only separated from the provisions of *sui generis* protection to have more transparency.¹²⁸⁶ However, the harmonized copyright protection had to be stable to maximize the objective of introducing a special right, which uniformly protected investment made by database makers.¹²⁸⁷ On one occasion, the European Parliament said that a substantial change must be borne by a second comer towards the selection or arrangement of the contents if that database

¹²⁸¹ *Infra* chapter VI, section 2.

¹²⁸² (COM (92) 24 final), para [3.2.8].

¹²⁸³ *Ibid*, para [2.2.3].

¹²⁸⁴ *Ibid*, para [2.2.11].

¹²⁸⁵ *Supra* chapter IV, section 1.3.2.

¹²⁸⁶ Opinion of the Economic and Social Committee of the Council of 25 January 1993 on the Proposal for a Council Directive on the Legal Protection of Databases [1993] OJC19.

¹²⁸⁷ (COM (92) 24 final), para [2.2.11].

were to be considered for copyright protection.¹²⁸⁸ Contrary to the position of the European Parliament, different official documents that were drawn at the stage of enacting the Directive made it very clear that there is no such requirement of showing any aesthetic or qualitative criteria while selecting or arranging contents of a database.¹²⁸⁹ More importantly, expectation with the threshold requirement as portrayed by the European Parliament was not the threshold either intended by the 1st draft and subsequent proposals or followed by the courts in Europe.¹²⁹⁰ The test of modicum creativity was held to be sufficient for a database to merit protection under Article 3 of the Directive.¹²⁹¹ There was consistency with the vision of copyright protection for a period of four years until the passage of the Directive in 1996.¹²⁹²

Absence of any major contradictions gives rise to two perspectives. On one hand, it seems that the proposed standard of copyright protection was thoroughly accepted. This shows assurance and confidence in the proposed measure, and reflects the acceptability of *Feist*.¹²⁹³ Furthermore, it shows universality of *Feist* and acceptability of the decision within the norms of copyright law.¹²⁹⁴ From a different perspective absence of any major

¹²⁸⁸ European Parliament Minutes of Proceedings of the sitting of 23 June 1993 on Part II – Texts adopted by the European Parliament [1993] OJC 194/3, para [2a].

¹²⁸⁹ Council Common Position 20/95/EC of 10 July 1995 with a view to adopting the Database Directive [1995] OJC 288/02.

¹²⁹⁰ (COM (92) 24 final.), para [3.2.5]; *Supra* Chapter IV, section 1.

¹²⁹¹ *Supra* chapter IV.

¹²⁹² Council Directive 96/9/EC.

¹²⁹³ Gervais (n 460).

¹²⁹⁴ *Ibid*.

contradictions may seem to dilute the importance of a specific provision.¹²⁹⁵ Enactment of a specific legislation must be thoroughly debated.¹²⁹⁶ Its effect must be thoroughly understood, especially when it will lay down the basis for a new legislation, which has no precedent in the world.¹²⁹⁷ There was not much focus on the copyright portion under Article 3, even at the stage when the Directive was evaluated for the first time.¹²⁹⁸ But although there was no debate surrounding the copyright part, the given threshold has been well accepted in the member States.¹²⁹⁹ It is proving to be effective in terms of providing protection, and is also acting as an incentive towards the production of databases.¹³⁰⁰

The adoption of *Feist* is an example of a situation where not much experimentation was done with the proposed standards to suit the European market.¹³⁰¹ Therefore, these standards were simply incorporated and thus became the copyright parameter for databases in Europe.¹³⁰² Since the proposed standards were not debated, utility and effect of the jurisprudence

¹²⁹⁵ There was no such evidence of market failure, Bitton (n 113) page [1426].

¹²⁹⁶ We see there is considerable debate surrounding the Database Right, *Supra* chapter VI, section 2.

¹²⁹⁷ *Ibid.*

¹²⁹⁸ First Evaluation of Directive 96/9/EC.

¹²⁹⁹ *Supra* chapter IV, section 3.

¹³⁰⁰ *Ibid.*, Looking at the range of databases the copyright protection is able to protect; Further, *Feist* decision suggested that majority of databases would be able to make the mark of originality, *Feist Publications* (n 4) page [345]; Also, we have observed the investment of Reed Elsevier and the strategies adopted to meet the copyright standard, *Supra* chapter III, section 3.

¹³⁰¹ This situation is contrary to the debate that took place surrounding the possible enactment of a Database Right in America, *Supra* chapter III, section 4.

¹³⁰² Bitton (n 113) page [1426].

developed through *Feist* decision were all the more important in the European context.¹³⁰³

3.0 Positive Effect of *Feist* Jurisprudence

There is no doubt that *Feist* had a big role to play in the overall structure of the Directive.¹³⁰⁴ The *Feist* decision not only led to the copyright threshold¹³⁰⁵ but also created a basis for a separate special right to protect investments of databases that fell outside the *Feist* threshold.¹³⁰⁶ Therefore, the effect as a result of *Feist* was primarily two-fold. It introduced two different forms of jurisprudence in the context of protection of databases.¹³⁰⁷

So far, the Articles under Database Directive have been applied differently. While the Database Right has been sought by the producers, the copyright provision has not received much attention.¹³⁰⁸ Considering that the Directive has been in place for almost 17 years, the copyright portion of it has been seldom debated at the Court of Justice in Europe.¹³⁰⁹ There have been decisions in the member States concerning copyrightability of databases,¹³¹⁰ yet there has been limited instance when the Court of Justice elaborated and

¹³⁰³ *Infra* sections 3 and 4.

¹³⁰⁴ *Supra* section 2.

¹³⁰⁵ *Ibid* and *Supra* section 2.

¹³⁰⁶ *Infra* section 4.

¹³⁰⁷ *Supra* sections 3 and 4.

¹³⁰⁸ *Infra* chapter VI.

¹³⁰⁹ Except in recent times when the *Football Dataco 2* (n 58) went to the Court of Justice of the European Union in 2012

¹³¹⁰ *Supra* chapter IV, section 3.

interpreted the provisions of Article 3.¹³¹¹ The reference to the copyright provision must be understood in the correct context.

Producers were looking for alternatives immediately after the ECJ judgement in the *British Horse Racing* case, in the background of limited protection available under *sui generis* Database Right.¹³¹² It was no longer an attractive option for producers to secure their investments made towards the production of databases.¹³¹³ The change in perception of the Database Right has been discussed in the following chapter.¹³¹⁴ While looking for alternatives, producers in *Football Dataco*, case initiated proceedings under Article 3 of the Directive.¹³¹⁵ Therefore, protection under copyright was not the first choice for producers, and it was a relatively less attractive option in comparison to the apparently robust protection offered under Database Right.¹³¹⁶ Nonetheless, protection under Article 3 was not offered to *Football Dataco*.¹³¹⁷ It indicates that the *Feist* jurisprudence was not particularly suited for single source database producers.¹³¹⁸ If Article 3 was not the available alternative then the

¹³¹¹ *Football Dataco* (n 58).

¹³¹² Case-604/10 *Football Dataco Ltd v Yahoo! UK Ltd* [2012] ECDR 7, Opinion of AG Mengozzi; The *British Horseracing* case has been discussed in the following chapter, *Infra* chapter VI.

¹³¹³ *Ibid.*

¹³¹⁴ *Infra* chapter VI.

¹³¹⁵ *Supra* (n 1312).

¹³¹⁶ The nature of protection offered under the Database Right has been discussed in the next chapter. Further, there are challenges associated with the application of Article 3. This has been observed after the CJEU comments on *Football Dataco* (n 58), *Infra* chapter VI.

¹³¹⁷ *Football Dataco* (n 58).

¹³¹⁸ *Infra* chapter VI, section 3.

scope for producers under the Database Directive was limited.¹³¹⁹ With reference to Article 3, the implication of *Feist* jurisprudence has to be assessed in this context.

3.1 Freeing of Data: An Incentive for Future Database Producers

The Commission justified enactment of a separate Database Right, since the theory behind copyright protection does not support mundane collection of information that lack minimum creativity.¹³²⁰ In the words of the Commission, “it would be an unacceptable extension of copyright and undesirably restrictive measure if simple exhaustive accumulations ...” of information merit copyright protection.¹³²¹ This was an argument that led to the separation of copyright protection from the novel Database Right.¹³²² Behind this argument, we can see reference to the fundamental axiom that facts do not merit copyright protection.¹³²³ Further, we see reference to the consequence of protecting facts as they may undesirably restrict access, thereby impeding dissemination of information.¹³²⁴ *Feist* decision referred to these fundamental issues before discarding ‘sweat of the brow’ argument.¹³²⁵ Following the guidelines of *Feist* the act of harmonizing copyright protection for databases influenced the

¹³¹⁹ It has been observed that the scope of Database Right under Article 7 is limited after the *British Horseracing* case, *Ibid.*

¹³²⁰ (COM (92)24 final), paras [3.2.4] – [3.2.6].

¹³²¹ *Ibid.*, para [3.2.6].

¹³²² *Ibid.*, paras [3.2.4] – [3.2.6].

¹³²³ *Feist Publications* (n 4) page [345].

¹³²⁴ *Infra* chapter VI, section 3.

¹³²⁵ *Feist Publications* (n 4).

position of present and future stakeholders involved in producing factual compilations.¹³²⁶

3.1.1 Removal of ‘Sweat of the Brow’ Argument for Copyright Protection of Databases

The protection under copyright is based on the argument of creativity.¹³²⁷ If contents in a compilation cannot be attributable to an author, such contents cannot receive copyright protection.¹³²⁸ This is said in the context that contents seeking copyright protection should not be merely discoverable.¹³²⁹ Contents, if discoverable, are factual in nature and not a subject matter of copyright. These arguments form a part of the *Feist* decision.¹³³⁰ In Continental Europe the application of copyright was only related to creativity attached to selection or arrangement of contents.¹³³¹ Although there were different thresholds followed in member countries, such thresholds only talked about accepted originality through a measure of creativity.¹³³² This was, however, not the situation in UK, at least prior to incorporating the Directive in CDPA.¹³³³ By virtue of the accepted ‘sweat of the brow’ theory, factual compilations were receiving copyright protection.¹³³⁴ Application and incorporation of *Feist* jurisprudence in

¹³²⁶ This led to the development of the idea behind the enactment of the Database Right, *Infra* chapter VI.

¹³²⁷ *Feist Publications* (n 4).

¹³²⁸ *Ibid*, page [347].

¹³²⁹ *Ibid*.

¹³³⁰ *Ibid*.

¹³³¹ *Supra* chapter IV, section 3.

¹³³² *Ibid*.

¹³³³ *Supra* chapter IV, section 3.

¹³³⁴ *Ibid*.

a European Directive meant that a new standard was brought about in the UK.¹³³⁵ It removed the application of ‘sweat of the brow’ theory in case of databases.¹³³⁶ The application of copyright was restricted to the requirement of originality, and not on the labour argument.¹³³⁷ Standard that was developed and re-iterated through *Feist* case restricted the “unaccepted extension” of using ‘sweat of the brow’ argument to merit copyright protection.¹³³⁸

3.1.2 Copyright Chapter Separated from Database Right

In Europe, the application of ‘sweat of the brow’ was mostly limited to UK.¹³³⁹ Removal of ‘sweat of the brow’ argument meant that databases that were previously protected under copyright were left unprotected.¹³⁴⁰ Moreover, there were concerns with the existing level of database market in Europe, and the performance of European database market in comparison to the US.¹³⁴¹ The situation was further complicated by the non-availability of jurisprudence concerning the effect of *Feist* decision on comprehensive electronic databases.¹³⁴² The Commission had two options: follow the *Feist* ruling and remove ‘sweat of the brow’ or revive ‘sweat of the brow’ through different means.¹³⁴³ Removal of ‘sweat of the brow’ would have meant offering no

¹³³⁵ Ibid.

¹³³⁶ Ibid, section 2.3

¹³³⁷ Ibid.

¹³³⁸ *Feist Publications* (n 4).

¹³³⁹ First Evaluation of Directive 96/9/EC, para [1.1].

¹³⁴⁰ Ibid.

¹³⁴¹ (COM (92) 42 final), sections 1 and 2.

¹³⁴² (COM (92) 42 final), paras [2.2.9] and [2.3.2].

¹³⁴³ It has been argued by commentators that in fact Database Right is nothing but what was sweat of the brow, For instance, Hugenholtz B P, ‘Abuse of Database Right: Sole-source

special protection to databases that lack creativity under Article 3 of the Directive.¹³⁴⁴ For a growing European market a complete removal could have given a negative impression to the prospective database producers.¹³⁴⁵ There was also no clear indication of the required incentive for database producers to increase the number of European databases.¹³⁴⁶ Revival on the other hand would have assured the database producers who were previously relying on the application of ‘sweat of the brow’, and also the producers falling short of the creativity requirement under Article 3.¹³⁴⁷ Additional protection for databases not protected under Article 3 would be an additional incentive for producers.¹³⁴⁸ Article 7 was drafted in the midst of this situation where the Commission could have gone either way. Instead of choosing either of the options the Commission came up with a third option based on investment made towards the production of a particular database.¹³⁴⁹ Unlike originality under Article 3, the threshold of protection under this Article is substantial investment.¹³⁵⁰ By adopting investment as a threshold, the Commission avoided directly bringing back the application of ‘sweat of the brow’ theory as an alternative to Article 3.¹³⁵¹ We have to, however, qualify the meaning associated with substantial

information banks under the EU Database Directive’ in F. Lévêque & H. Shelanski (eds.), *Antitrust, patents and copyright: EU and US perspectives* (Edward Elgar Cheltenham 2005)203-217.

¹³⁴⁴ First Evaluation of Directive 96/9/EC, para [1.1].

¹³⁴⁵ Especially going by the difference in threshold of originality in the member States, *Ibid.*

¹³⁴⁶ *Supra* Bitton (n 113).

¹³⁴⁷ Reason for the Database Right, First Evaluation of Directive 96/9/EC, para [1.1].

¹³⁴⁸ *Ibid.*

¹³⁴⁹ Article 7, Council Directive 96/9/EC.

¹³⁵⁰ *Ibid.*

¹³⁵¹ ‘Substantial investment’ is the primary requirement before a producer of a database can ask for protection under Database Right, *Ibid.*

investment.¹³⁵² Investment could be either in form of money or even ‘sweat of the brow’s’ effort that goes into collecting factual data.¹³⁵³ As the Directive has been silent about the threshold requirement, this type of effort could well be considered as sufficient to merit protection under Article 7.¹³⁵⁴

Therefore, the possibility of legitimizing ‘sweat of the brow’ through the threshold of substantial investment is not ruled out.¹³⁵⁵ As a result, the Commission prevented complete removal of the application of ‘sweat of the brow’.¹³⁵⁶ However, this ‘sweat of the brow’ is not connected to the argument wherein a database maker can claim copyright protection. By leaving copyright protection separate from the protection based on substantial investment, the Commission has severed the tie between copyright and ‘sweat of the brow’.¹³⁵⁷ The effort or ‘sweat of the brow’ in question has been recognized only by enacting a special right.¹³⁵⁸ The Commission revived ‘sweat of the brow’ but followed guidelines of *Feist* by keeping it separate from copyright protection.¹³⁵⁹ Therefore, similar to the threshold structure under Article 3, Database Right’s unique structure based on investment owes its origin to the decision of *Feist* case in US.¹³⁶⁰

¹³⁵² *Supra* chapter IV, section 2.1.

¹³⁵³ Derclaye (n 72) page [75].

¹³⁵⁴ *Supra* chapter IV, section 2.1.

¹³⁵⁵ *Ibid.*

¹³⁵⁶ *Ibid.*

¹³⁵⁷ Copyright and Database Right are not only under two separate articles but they are also under separate sections, Council Directive 96/9/EC.

¹³⁵⁸ As Database Right, Article 7, Council Directive 96/9/EC.

¹³⁵⁹ (COM (92)24 final), para [3.2.6].

¹³⁶⁰ *Ibid.*

3.1.3 *Removal of Monopoly over Factual Contents*

The interpretation of US Constitutional requirement of Progress of Science in the context of a factual compilation suggests that a second comer should be able to use factual contents from a database towards his own database.¹³⁶¹ This is subject to the limitation that he is not allowed to follow the exact way of selection or arrangement as in the first database.¹³⁶² By virtue of limited protection offered to first database maker, it is ensured that copyright protection in a case of a factual compilation does not create an “undesirably restrictive measure” for database makers who are interested in the process of making similar databases.¹³⁶³

This level of protection available for the first database maker provides incentive for the second database maker and similarly for other database makers to follow.¹³⁶⁴ The incentive lies in the free availability of factual information.¹³⁶⁵ A database maker, by virtue of his creativity can ensure copyright protection for a compilation.¹³⁶⁶ Resemblance of the *Feist* jurisprudence can be found in the case involving a live football database.¹³⁶⁷ Here the English Court suggested that there was no protection for collection of data, which is devoid of any

¹³⁶¹ *Feist Publications* (n 4).

¹³⁶² *Ibid*, page [349].

¹³⁶³ *Ibid*.

¹³⁶⁴ This argument runs counter to the thought connected to the fundamental argument of providing incentive to first database producer; First Evaluation of Directive 96/9/EC, section 2.

¹³⁶⁵ *Feist Publications* (n 4) page [347]; *Miller* (n 385) page [1369].

¹³⁶⁶ *Infra* section 3.2.

¹³⁶⁷ [2011] EWCA Civ 330, [2011] 1 WLR 3044.

creativity.¹³⁶⁸ Although labour was involved in such collection, it was not the right kind to ensure copyright protection.¹³⁶⁹ This decision prevented the use of ‘sweat of the brow’ argument.¹³⁷⁰ Similar observation was also made in the *Football Dataco* case where labour towards making of a database was identified as not the right kind to merit copyright protection.¹³⁷¹ Although there is no explicit mention of the outcome of such decisions, one can identify the possible consequence. By way of refusing copyright protection in the aforementioned cases, the respective courts ensured free availability of factual data for a subsequent database maker.¹³⁷² However, one must remember that the change as a result of incorporating the *Feist* standards was mostly felt in UK in the context of databases.¹³⁷³ The change only related to the shift in argument for copyright protection, meaning from ‘sweat of the brow’, to originality required through creativity in selection or arrangement of contents.¹³⁷⁴ This shift in argument ensured extensive change in the field of copyright law in UK.¹³⁷⁵ For instance, long before the enactment of the Directive, the second comer in the *University of London Press* case was asked to expend similar effort in collecting factual information as the first database maker.¹³⁷⁶ This decision ensured that even facts available in public domain were monopolized by the first compiler owing to ‘sweat of the brow’

¹³⁶⁸ Ibid, para [16].

¹³⁶⁹ Ibid.

¹³⁷⁰ Ibid.

¹³⁷¹ *Football Dataco 2* (n 58) para [82].

¹³⁷² *Feist Publications* (n 4) page [347]; *Miller* (n 385) page [1369].

¹³⁷³ *Supra* chapter IV, section 3.

¹³⁷⁴ Ibid.

¹³⁷⁵ Ibid.

¹³⁷⁶ [1916] 2Ch 601 page [609].

argument.¹³⁷⁷ Therefore, the second compiler, instead of building on the information available in the first compilation, had to expend similar amount of resources to get hold of the same factual information.¹³⁷⁸ Any other database maker subsequent to the first and second database maker would need to follow similar steps.¹³⁷⁹ This situation may reduce the incentive for producing similar databases, and implies use of huge amount of resources to collect the same data on more than one occasion.¹³⁸⁰

The application of *Feist* jurisprudence in *Live Football* and *Football Dataco*. decisions was pivotal in ensuring that factual information remained free for subsequent use.¹³⁸¹ After the passage of the Directive, chances of monopolizing factual information by virtue of Article 3 have been averted.¹³⁸² This has been made possible through the positive impact of *Feist's* guidelines in the Database Directive.¹³⁸³

While *Feist* decision freed up information, there was a belief that production would decrease as a negative effect.¹³⁸⁴ Producers would have no incentive as

¹³⁷⁷ Ibid.

¹³⁷⁸ *Blacklock* (n 1047); *Ladbroke* (n 1049) page [274].

¹³⁷⁹ Ibid.

¹³⁸⁰ There is the barrier of high cost associated with the production of databases, Reichman and Samuelson (n 72) page [81].

¹³⁸¹ [2011] EWCA Civ 330, [2011] 1 WLR 3044; *Football Dataco* (n 58).

¹³⁸² This is more after the CJEU judgement in *Football Dataco* (n 58), *Supra* chapter IV, section 2.

¹³⁸³ *Supra* section 2.

¹³⁸⁴ (COM (92) 24 final), para [2.3.3].

a result of non-availability of copyright protection.¹³⁸⁵ Although the aforesaid arguments suggest enough incentive for subsequent compilers, there is no guarantee that a compiler would be ready to invest with the knowledge that there is no protection for contents.¹³⁸⁶ It would be worthwhile to note the approach of compilers in the midst of the idea that freeing up of information is necessarily detrimental for future production of databases.¹³⁸⁷ The Commission was not convinced with the idea that copyright would still continue to protect exhaustive compilations.¹³⁸⁸ The consequences of this idea created Database Right.¹³⁸⁹ General observations surrounding this right in the context of *Feist* decision will be discussed in the next chapter.

3.2 Comprehensive Non-Electronic Databases Covered Under Article 3

There was always concern with the idea of protecting comprehensive databases through the use of copyright even though the task was limited to finding originality in selection or arrangement of contents.¹³⁹⁰ While electronic comprehensive databases are likely to possess required creativity, there is doubt as to extending copyright protection to comprehensive databases that are non-electronic in nature.¹³⁹¹ If copyright protection is available for databases in non-electronic format, it propagates the idea to look at databases

¹³⁸⁵ Ibid.

¹³⁸⁶ Previously we have seen how producers in US have invested without a particular protection in place for databases, *Supra* chapter III, section 3.

¹³⁸⁷ Ibid

¹³⁸⁸ (COM (92) 24 final) para [2.3.3].

¹³⁸⁹ First Evaluation of Directive 96/9/EC, section 2.

¹³⁹⁰ (COM (92) 24 final) para [2.3.3]; *Supra* chapter IV, section 1.3.

¹³⁹¹ Based on argument of the structure; *Supra* chapter I, section 6.1.

in a way different from what has been necessarily portrayed at various quarters.¹³⁹² This is in relation to citing the fundamental argument that comprehensive databases would lack necessary selection or arrangement to merit copyright protection.¹³⁹³ The *Feist* decision stated that most databases comprising of factual contents would receive protection.¹³⁹⁴ If this observation holds true for databases in non-electronic format then the effect of *Feist* jurisprudence that has permeated in Europe does not create a negative impact with reference to copyright protection.¹³⁹⁵ The nature of consequence and the issue of absence of creativity are observed through the lens of two comprehensive non-electronic databases.

Two Yellow/White pages directory are considered in this section.¹³⁹⁶ White pages telephone directory, and in some cases yellow pages directory are typical examples that are least likely to follow the requisite selection or arrangement standard.¹³⁹⁷ A non-electronic yellow pages directory (not colour specific, and may be white in colour) titled 'Thomson Local Directory of Croydon Area' (near London) and the telephone directory of 'British Telecom for South-West London' have been considered.¹³⁹⁸

¹³⁹² Commented on the concern with electronic databases (COM (92) 24 final), para [3.2.5].

¹³⁹³ Ibid.

¹³⁹⁴ *Football Dataco* (n 58).

¹³⁹⁵ We have observed that there was no appreciable impact of *Feist* decision in Europe, *Supra* chapter 2.

¹³⁹⁶ *Feist* said no protection to mundane garden-variety telephone directories, which are arranged alphabetically, *Football Dataco* (n 58) page [362].

¹³⁹⁷ *Feist Publications* (n 4).

¹³⁹⁸ *Infra* (n1512)

Thomson Directory is useful for people who have moved to Croydon area for the first time. It provides guidance in finding essential information, having¹³⁹⁹ two broad divisions of the directory: 'Business by Type' and 'Business by Name'. Further, they are sub-divided into many categories like 'New To The Area', 'Getting Married', 'Improving Your Home', 'Senior Living', 'Going Out/Having Fun', 'Well Being' etc.¹⁴⁰⁰

On the other hand, 'the phone book' of British Telecom for South-West London is divided into three parts: classifieds, business telephone numbers and residential telephone numbers.¹⁴⁰¹ 'Classifieds' consists of information about utilities/services, and companies engaged in delivering such services provide advertisements in this section.¹⁴⁰² Under the classified directory, the phone book listed advertisers by type of business. The business and residential phone numbers are arranged alphabetically from A-Z. Further, the phone book included 'a hair and beauty guide', 'a menu guide for restaurants and takeaways' and 'a leisure, sport and tourism guide'. These two directories need further analysis in the context of copyright protection. ¹⁴⁰³

¹³⁹⁹ Thomson Directories Ltd, Thomson local.com: Directory 2011-12(2011).

¹⁴⁰⁰ There is little issue of frustration on the part of the user if the decision to include such selection or arrangement is market driven; This is again contrary to the proposition that ".the greater variety of classifications, the more frustrated the user of the yellow pages is likely to become" Ginsburg (n 166) page [345].

¹⁴⁰¹ British Telecom, London South West 2011/2012: The Phone Book (2011).

¹⁴⁰² Ibid.

¹⁴⁰³ Ibid.

3.2.1 Unique Arrangement Followed in Competitive Situation

The Thomson Directory would ideally like to include local information pertaining to Croydon, which may be required by a person living in this area. That does not mean they have been able to include such information successfully, since there are inherent challenges.¹⁴⁰⁴ It is in fact true that not all traders and businesses may choose to include their details recorded in the Thomson Directory.¹⁴⁰⁵ Therefore, the nature of the directory is such, that there is automatic selection process in place. This selection will entail originality as per requirement and would differentiate from a directory of similar nature.¹⁴⁰⁶ One needs to also contextualize any selection process in the background of the objective behind creation of the directory. While compiling, Thomson included only information, which in their opinion was important for an individual moving to Croydon.¹⁴⁰⁷ Therefore, it is possible that a different company compiling a database of similar nature would consider different information. However, there is an obvious convergence between Thomson Directory and any other similar directory.¹⁴⁰⁸ Both companies involved in publishing would ensure that the information in their respective directories is comprehensive, and they would include all possible information about Croydon. This means that in both

¹⁴⁰⁴ This is contrary to what Rural had compiled in their telephone directory, *Feist Publications* (n 4).

¹⁴⁰⁵ This is an obvious outcome of any business strategy. Previously we have come across business strategy of Reed Elsevier, *Supra* chapter III, section 3.

¹⁴⁰⁶ Going by the given threshold, it is expected that this selection would meet the AOIC threshold, *Supra* chapter IV, section 1.3.2.

¹⁴⁰⁷ *Supra* (n 1405).

¹⁴⁰⁸ This is the similarity between two comprehensive databases of similar kind. As said in the *Feist* decision, "Notwithstanding a valid copyright, a subsequent compiler remains free to use the facts contained in another's publication to aid in preparing a competing work, so long as the competing work does not feature the same selection and arrangement". *Feist Publications* (n 4) page [349].

directories the selection procedure may be of minimal standard, if one follows the objective of creating a directory consisting of factual information.¹⁴⁰⁹

Further we have to locate the factor that influences an individual to choose between the available directories. This depends on how effectively a person can find the desired information from either of the directories.¹⁴¹⁰ Therefore, arrangement of information and the effective design in helping to identify such information is essential for a successful directory.¹⁴¹¹ The requirement of making a directory effective for an end-user helps in attaining creativity standards, which is essential to meet originality under copyright.¹⁴¹² Thomson had arranged the data under various categories. Thus, on the basis of specific arrangement, the directory of Thomson is also copyrightable.¹⁴¹³

3.2.2 Inclusion of Selected Information Related to Market Demand

In the *Feist* case Rural was under statutory obligation to publish the details of the subscribers.¹⁴¹⁴ One might wonder about the outcome if such publication was not a statutory obligation. That situation would surely have given Rural the opportunity to perceive the situation in a different way. Further, subscribers may have chosen to opt out from their names appearing in such directory. This

¹⁴⁰⁹ Ibid.

¹⁴¹⁰ Reed Elsevier annual report 1997 (n 729).

¹⁴¹¹ "...Arrangement of the compilation will have a bearing on the speed and ease with which the data can be assessed and hence it's commercial success", (COM (88) 172 final), para [6.1.5].

¹⁴¹² Ibid.

¹⁴¹³ Justice O'Conner in *Feist* citing *Nimmer* said: "...arrang[ing] the collected data so that they may be used effectively by readers" *Feist Publications* (n 4) page [340]; Discussing usefulness as a primary concept for the compiler and helps in copyright protection, *Durham*(n 602) page [155].

¹⁴¹⁴ *Feist Publications* (n 4) page [342].

would have entailed some amount of selection process. In case of the British Telecom white pages telephone directory, the customers always has the option to opt out from their names appearing in the directory. Hence the selection process is present in the white pages directory, which essentially makes this directory enjoy copyright protection.¹⁴¹⁵

Other than the aforesaid selection, British Telecom has carefully selected certain specific information for the phone book. This is a part of the business policy.¹⁴¹⁶ It is logical that British Telecom telephone book included these selections because they were assured of the consumer demand. The decision on their part is purely market driven. For instance, a similar approach has been indicated in the Annual Reports of Reed Elsevier.¹⁴¹⁷ There is little doubt that the phone book is beyond a database representing only the collection of numbers.¹⁴¹⁸ Some creative effort has been expended to increase the utility of this book for prospective users. The selective mechanism and discretion has resulted in the inclusion of above outlined categories.¹⁴¹⁹ Although there are limited ways of arranging customer or business information in a telephone book, the selected categories in classified section should receive copyright protection.¹⁴²⁰

¹⁴¹⁵ British Telecom, London South West 2011/2012: The Phone Book (2011).

¹⁴¹⁶ Ibid, *Supra* (n 1405).

¹⁴¹⁷ Consulted in chapter III.

¹⁴¹⁸ These facts, are contrary to the proposition that "for many post-Feist information compilations, the decision to add this kind of "value" may be driven more by a desire to achieve creative originality than by consumer demand", Ginsburg (n 166) page[347].

¹⁴¹⁹ 'A hair and beauty guide', 'a menu guide for restaurants and takeaways' and 'a leisure, sport and tourism guide'.

¹⁴²⁰ One could arrange by first name (as done in Iceland), by address, by telephone number as well as by surname; From the comments of the reviewer.

It is a fallacy that only comprehensive¹⁴²¹, alphabetically arranged telephone directories¹⁴²² would be useful for a customer.¹⁴²³ From the point of utility, they are not useful until efficient search mechanisms¹⁴²⁴ are associated with the overall comprehensiveness.¹⁴²⁵ In other words, it is difficult to comprehend that business houses would produce directories that are purely loaded with information¹⁴²⁶ without essential variance through essential selection and arrangement of contents.¹⁴²⁷ Therefore, the aforementioned directories, and other similar comprehensive databases are likely to satisfy the less stringent threshold requirement of AOIC under Article 3.¹⁴²⁸

Despite databases satisfying the threshold requirements of Article 3, protection only extends towards structure.¹⁴²⁹ In other words, this may be termed as the precise way of selection or arrangement followed in a particular database.¹⁴³⁰ Thus, there may be an additional issue of safeguarding contents in such a database.

¹⁴²¹ This was expressed in the first draft proposal. It was further suggested that there would be less selection or arrangement in a comprehensive database (COM (92) 24 final) para [2.3.3].

¹⁴²² Like the one developed by Rural in *Feist Publications* (n 4).

¹⁴²³ Reed Elsevier annual report 1997 (n 729).

¹⁴²⁴ Ibid.

¹⁴²⁵ Ibid.

¹⁴²⁶ Ibid.

¹⁴²⁷ Ibid.

¹⁴²⁸ *Supra* chapter IV, section 1.

¹⁴²⁹ *Feist Publications* (n 4) page [349].

¹⁴³⁰ Ibid.

3.2.3. *Producers Adequately secure investments towards contents*

In preceding example, Thomson may have followed a selection process and a brilliant arrangement to merit copyright protection, yet contents remain unprotected.¹⁴³¹ If there is no protection for contents the question remains on future production. Similar to this example, CJEU in *Football Dataco*, case said that under database copyright, the protection is for the overall selection or arrangement in fixture lists, and not extended to individual fixtures.¹⁴³² As discussed before copyright is not the right type of protection and hence the Commission insisted on enacting Database Right.¹⁴³³ Recording of facts in form of a database is a practice that requires considerable investment.¹⁴³⁴ For instance, the information that Mr. Smith who is 6 feet tall, has brown hair and lives on 1564 London Road is essentially factual in nature. This information remains a fact irrespective of whether or not the Croydon Council has recorded such information in the electoral register. Recording this type of information is useful for later use. “In essence, the Directive sought to create a legal framework that would establish the ground rules for the protection of a wide variety of databases in the information age.”¹⁴³⁵ This statement indicates that the incentive was primarily for investments towards electronic databases, although the scope of protection covers non-electronic databases.¹⁴³⁶

¹⁴³¹ Thomson Directories Ltd, Thomson local.com: Directory 2011-12(Thomson Directories Ltd, 2011)

¹⁴³² *Football Dataco* (n 58) page [692]; Article 3, Council Directive 96/9/EC.

¹⁴³³ (COM (92) 24 final) para [3.2.5.].

¹⁴³⁴ First Evaluation of Directive 96/9/EC, section 2.

¹⁴³⁵ Council Directive 96/9/EC.

¹⁴³⁶ First Evaluation of Directive 96/9/EC, para [1.1].

We have already observed that there was incentive for paper-format databases, even though no special protection existed in US.¹⁴³⁷ *Feist* decision and subsequent debates that followed in US argued for a Database Right to protect these simple exhaustive databases, there was no consensus reached to formulate any such legislation.¹⁴³⁸ Therefore, while *Feist* decision convinced the Commission to suggest for a new protection, such protection was never enacted in US.¹⁴³⁹ In two previous examples of white/yellow pages directory, the information provided is of similar nature. The effort of the publishers has been towards presentation of the contents to merit copyright protection. Further to the decisions of *BHB* and *Football Dataco* there is indication that database producers have opted for copyright protection, instead of availing the incentive of Database Right.¹⁴⁴⁰ This implies that following the copyright approach is sufficient to recover their investments. We have noticed the aspect of adding additional values to information of factual nature, which facilitates towards the claim of copyright protection.¹⁴⁴¹ Further, these companies have been relying on advertisements at the time of providing free access to contents.¹⁴⁴² If the producers were unsure of recovering investments made towards the production of databases in paper-format, they would not have invested in the first

¹⁴³⁷ Reed Elsevier annual report 1994 (n 706).

¹⁴³⁸ *Supra* chapter IV, section 4.

¹⁴³⁹ (COM (92) 24 final) para [2.3.3].

¹⁴⁴⁰ Case-604/10 *Football Dataco Ltd v Yahoo! UK Ltd* [2012] ECDR. 7, Opinion of AG Mengozzi.

¹⁴⁴¹ Reed Elsevier annual report 1997 (n 729).

¹⁴⁴² British Telecom, London South West 2011/2012: The Phone Book (British Telecom, 2011) and Thomson Directories Ltd, Thomson local.com: Directory 2011-12(Thomson Directories Ltd, 2011).

place.¹⁴⁴³ It is not true that database producers are always unduly concerned about their contents, especially when they are sure to recover investments in recording facts.¹⁴⁴⁴

4.0 Experiments with Structure of Database Right

Article 3 and 7 of the Database Directive are both an outcome of the jurisprudence that came about through *Feist* decision in US.¹⁴⁴⁵ While there was an idea that *Feist* decision would have negative impact, there was no clear jurisprudence concerning the extent of such impact on electronic database market.¹⁴⁴⁶ Even though there have been claims to suggest negative impact of *Feist* decision on US database publishers, there were no cases immediately after the decision to suggest any negative impact on publishers.¹⁴⁴⁷

Therefore, the proposed structure was an outcome of an unknown apprehension and to some extent to the increasing competitive nature of database market at that time.¹⁴⁴⁸ Under these circumstances it was critical to have a right balance in the proposed Database Right to ensure stability and create enough incentive for the European producers.¹⁴⁴⁹ If the US database

¹⁴⁴³ *Supra* chapter III, section 3.

¹⁴⁴⁴ *Supra* chapter III.

¹⁴⁴⁵ *Supra* sections 1 and 3.

¹⁴⁴⁶ (COM (92) 24 final), para [2.3.3].

¹⁴⁴⁷ US Copyright Office: Report on Legal Protection for Databases (August, 1997) available at <<http://www.copyright.gov/reports/dbase.html>> (accessed 10 January 2011).

¹⁴⁴⁸ (COM (92) 24 final) section 2.

¹⁴⁴⁹ The balance was questioned in the First Evaluation of the Directive, First Evaluation of Directive 96/9/EC, para [4.3].

market were to be considered as an example, number of databases in US grew at a much faster pace than the number of European databases despite not having a special Database Right in place.¹⁴⁵⁰

At the stage of introducing Database Right, the uncertainty with the scope of such right was obvious. In four years, from the proposal to final Directive, structure of the Database Right was changed on more than one occasion.¹⁴⁵¹ The explanations behind the required changes can be explained in two ways. In the first place, Database Right was an experiment and therefore, changes are required once the exact and precise way of incentivizing production comes to knowledge.¹⁴⁵² This argument may act as a justification explaining the changes that took place in the first structure of the proposed Database Right.¹⁴⁵³ However, there was no such available information suggesting that changes are required.¹⁴⁵⁴ Therefore, the change that took place was again an experiment without precise knowledge about the requirement.¹⁴⁵⁵ All other subsequent changes that happened concerning the structure of Database Right were similar experiments that went on for four years.¹⁴⁵⁶ There was no explicit reasoning given, while making any of these changes.¹⁴⁵⁷ Taking a cue from the first explanation, there is uncertainty in the accepted proposition explaining

¹⁴⁵⁰ Ibid, para [2.4].

¹⁴⁵¹ *Infra* chapter VI, section 2.

¹⁴⁵² The argument that *Sui generis* Database Right was an experiment, Herr (n 147).

¹⁴⁵³ Davison (n 72) pages [51] – [102]; Beunen (n 72) pages [3]-[14]; Herr (n 147) pages [85]-[101].

¹⁴⁵⁴ Ibid.

¹⁴⁵⁵ Ibid.

¹⁴⁵⁶ Ibid.

¹⁴⁵⁷ Ibid, First Evaluation of Directive 96/9/EC, section 2.4.

changes to the structure of Database Right.¹⁴⁵⁸ There could be possible influences from interested stakeholders that led to the changes, although such influence has not come to the forefront unlike US where influence and interest of publishing house was evident.¹⁴⁵⁹ Therefore, we must leave reasons for changes to uncertainty and anxiety that was present in Europe.¹⁴⁶⁰ Interestingly, while experiments continued in the pre-Directive stage, there were no amendments made subsequent to the passage of Database Right.¹⁴⁶¹ In terms of number of European databases, the Database Right has not been effective.¹⁴⁶² Therefore, the present structure that was accepted after so many experiments did not cater to increase in number.¹⁴⁶³ It may be argued that number of databases was not the ultimate objective behind the enactment of Database Right. The idea was to instill confidence among European producers.¹⁴⁶⁴ Even if one goes by this argument, the Database Right failed to instill such confidence because the production of databases is directly linked to the extent of confidence that is present among producers.¹⁴⁶⁵ The jurisprudence that developed through *Feist* created uncertainty, and this

¹⁴⁵⁸ Ibid.

¹⁴⁵⁹ There has been no claim of influence barring one single source, Determined lobbying by those in favour of protectionist strategies for the global information infrastructure – publishers and some EU and US officials – successfully transformed the original EU proposal”, Lipton (n 184) pages [773] and [825].

¹⁴⁶⁰ With the emergence of the electronic database market there was enough evidence present in the first draft proposal to show anxiety and apprehension, (COM (92) 24 final), sections [1], [2] and [3].

¹⁴⁶¹ There was such suggestion made in the First Evaluation of Directive 96/9/EC, section 6.

¹⁴⁶² Ibid, section 2.4.

¹⁴⁶³ Ibid, section 5.3.

¹⁴⁶⁴ There was such argument made in the first evaluation report wherein the publishers said that there was increase in investments if not increase in number of electronic databases, Ibid, section 4.1.3.

¹⁴⁶⁵ There was no evidence given by the publishers or suggested any alternative way to measure incentive amongst publishers, Ibid.

uncertainty featured in Database Directive, especially with the legislation of Database Right.¹⁴⁶⁶ Even the final outcome was uncertain, since the effect was not positive in comparison to what the Commission might have predicted at the time of proposal.¹⁴⁶⁷ With the overall uncertainty, it would have been difficult to comprehend certain specificities in the Database Right.¹⁴⁶⁸

Fixing the composition of Database Right must have been an extremely interesting exercise, since there was no example around to follow. There are questions about amount of incentive required, the exceptions, duration of the right and the nature of the right.¹⁴⁶⁹ Based on the structure constituting of aforementioned issues, protection offered to factual information can have dangerous precedent. Such protection may lead to monopolization of information, and may be detrimental for overall growth of the European market.¹⁴⁷⁰ After many deliberations that went on for a period of eight years, the US Congress could not agree to extra incentive to non-original databases, which were left unprotected as a result of *Feist*.¹⁴⁷¹ The concern was that the legislative initiatives were likely to perpetually protect facts, thereby going against the Constitutional norm of not providing protection to factual material.¹⁴⁷² In an indirect manner it may perpetually protect facts.¹⁴⁷³ One has

¹⁴⁶⁶ (COM (92) 24 final), para [2.3.3]

¹⁴⁶⁷ First Evaluation of Directive, 96/9/EC.

¹⁴⁶⁸ Questioning the balance, Derclaye (n 115)

¹⁴⁶⁹ *Infra* chapter VI, section 2.

¹⁴⁷⁰ *Infra* chapter VI, section 3.

¹⁴⁷¹ *Supra* chapter III, section 4.

¹⁴⁷² For instance, Committee Reports - House Report 108-421- Part 1 (108th Congress (2003-2004)): Database and Collections of Information Misappropriation Act (HR 3261) available at

to remember that all deliberations in US were not immediately after *Feist* decision and resulted because of the existing Database Right.¹⁴⁷⁴ Europe walked the road that was avoided even after *Feist*.¹⁴⁷⁵ Therefore, merely borrowing possible ill-effect without any definitive impact may be over compensating the producers of electronic databases with factual contents.¹⁴⁷⁶ Europe entered into this phase of formulating correction measures on one hand, while accepting principles directly from a different jurisdiction.¹⁴⁷⁷

There was no gradual response to the *Feist* dilemma in Europe, unlike the much required deliberations in the absence of evidence. At the time, there was no evidence to suggest urgency or negative effect on producers.¹⁴⁷⁸ The effect of the *Feist* jurisprudence in the enactment of Database Right would be essentially complex and deserves a detailed analysis. This would serve as an example to show transatlantic effect of the rejected 'sweat of the brow' argument. In the next chapter, possible effect of *Feist* jurisprudence has been observed at the formative stage, stage of enactment and post-enactment stage.¹⁴⁷⁹

<<http://thomas.loc.gov/cgi-bin/cp2gpo.script/http://www.gpo.gov/fdsys/pkg/CRPT-108hrpt421/pdf/CRPT-108hrpt421-pt1.pdf>> (accessed 9 March 2010); Collections of Information Antipiracy Act (HR 2652) Michael Treanor, Memorandum for William P. Marshall Associate White House Counsel available at < <http://old.cni.org/hforums/roundtable/1998-03/0043.html>> (accessed 9 March 2010).

¹⁴⁷³ Ibid.

¹⁴⁷⁴ *Supra* chapter III.

¹⁴⁷⁵ Council Directive 96/9/EC.

¹⁴⁷⁶ *Supra* chapter VI, sections 2 and 3.

¹⁴⁷⁷ Ibid.

¹⁴⁷⁸ (COM (92) 24 final), para [2.3.3].

¹⁴⁷⁹ *Infra* chapter VI.

With the incorporation of *Feist* standard in Europe, the influence of *Feist* decision is truly global.¹⁴⁸⁰ *Feist* created this jurisprudence surrounding the protection of databases that was debated for more than two decades.¹⁴⁸¹ In Europe, the year of *Feist* decision has a lot to do with the extent of influence. This was the time when production of electronic databases was at a formative stage, especially in Europe where the situation was complex due to diversity of the member States.¹⁴⁸² Without *Feist* decision in place it is difficult to predict the shape and structure of the Directive. In case of copyright protection under Article 3, although the structure relating to selection or arrangement of contents could have been based on the Berne standard, the threshold of such protection would have remained unknown.¹⁴⁸³ The requirement of minimum creativity would not have been set or the extent of protection available to a producer. These parameters helped the Commission to draw support from, while structuring the scope of protection under Article 3.¹⁴⁸⁴ In case of Article 7, although it is difficult to predict, Database Right may not have existed without *Feist* decision in the background.¹⁴⁸⁵ The confusion and uncertainty surrounding the Database Right could have been avoided.¹⁴⁸⁶ Even a bigger question is whether the Commission would have thought about enacting a

¹⁴⁸⁰ Gervais (n 460).

¹⁴⁸¹ If one considers the time till the First Evaluation report in 2005, First Evaluation of Directive 96/9/EC.

¹⁴⁸² (COM (92) 24 final), sections 1 and 2.

¹⁴⁸³ *Supra* section 1.

¹⁴⁸⁴ (COM (92) 24 final) section 2.

¹⁴⁸⁵ *Ibid*, Section [2.3.3].

¹⁴⁸⁶ *Infra* chapter VI.

Database Right without an example like *Feist*. Going by the Green Paper and the Follow-Up Green Paper, there were discussions about the future of factual databases.¹⁴⁸⁷ Therefore, it is likely that the Directive would have included some kind of protection for databases comprising of facts. However, it would have been a difficult situation with Database Right, since there were no such similar examples present at the time.¹⁴⁸⁸ With the *Feist* example in place it was easier for the Commission to garner support based on a much concrete argument.¹⁴⁸⁹

¹⁴⁸⁷ (Com (88) 174 final); (COM (90) 584 final).

¹⁴⁸⁸ First Evaluation of Directive 96/9/EC, para 2.4.

¹⁴⁸⁹ (COM (92) 24 final), section [2.3.3].

CHAPTER VI

UNCERTAINTIES WITH DATABASE RIGHT: NEGATIVE INTERPRETATION OF *FEIST*

The concern with the apparent negative effect of *Feist's* jurisprudence gave rise to the Database Right. This chapter observes such negative effect at the formative stage, stage of enactment and post-enactment stage.¹⁴⁹⁰ All these effects are associated with the structure of the Database Right.¹⁴⁹¹ Although concern with the right can only be comprehended at the first two stages, ill-effects are truly visible in the post-enactment stage.¹⁴⁹² The Database Right has led to considerable monopoly concerns, especially with single-sourced databases.¹⁴⁹³

1.0 Limited requirement at draft stage

The year 1992 saw passage of a draft proposal suggesting the enactment of a Database Right in Europe.¹⁴⁹⁴ This proposal envisaged a commercial right that intended to stop misappropriation of contents from an electronic database.¹⁴⁹⁵ Databases containing works protected under copyright or neighbouring right

¹⁴⁹⁰ *Infra* sections 1, 2, and 3.

¹⁴⁹¹ *Infra* sections 2 and 3.

¹⁴⁹² *Infra* section 3.

¹⁴⁹³ *Infra* section 3.

¹⁴⁹⁴ (COM (92) 24 final).

¹⁴⁹⁵ *Ibid*, Article [2(5)].

were not covered in the first proposal.¹⁴⁹⁶ Further, the protection did not extend to databases in non-electronic format, and scope of the right excluded private use.¹⁴⁹⁷ Where works or contents were difficult to obtain from other source, there were provisions on compulsory licensing of databases were made available to public.¹⁴⁹⁸ Other than the compulsory licensing provision, a lawful user enjoyed certain additional exceptions in the context of rights enjoyed by a producer.¹⁴⁹⁹ Subject to acknowledging source, the first draft proposal allowed a lawful user to extract and re-utilize insubstantial portions of contents of a database for commercial use.¹⁵⁰⁰ There was no such requirement of acknowledgement, if the insubstantial portions were for private and personal use. In the first proposal, the term of protection for Database Right was ten years.¹⁵⁰¹

We have observed how *Feist* played a major role in bringing about the concept of a separate Database Right.¹⁵⁰² Other than the decision in place, there were no further guidelines available to suggest the type and nature of protection

¹⁴⁹⁶ Ibid; In the final version, there was a shift from the first draft proposal, since the proposal recommended that database right should not apply to databases, if copyright or neighbouring rights subsisted in the contents of such database.

¹⁴⁹⁷ Ibid, Article 1(1) & 2(5).

¹⁴⁹⁸ (COM (92) 24 final), Article 8(1); In the opinion of Jane Ginsburg, the best balance in relation to non-original databases is through the compulsory licensing system whereby access to information is maintained, while there is less chance of appropriating the investment of publishers in such databases, Ginsburg (n 166) pages [1924]-[1927].

¹⁴⁹⁹ In the first draft proposal, there was no definite indication about the meaning associated with lawful user, although the explanatory memorandum to the first draft proposal suggests that a lawful user is a "person having acquired the right to use a database." Further discussion on a lawful user will be considered in the next section. (COM (92) 24 final), Article 5(1).

¹⁵⁰⁰ (COM (92) 24 final), Article 8(4).

¹⁵⁰¹ Ibid, Article 8(5).

¹⁵⁰² *Supra* chapter V.

measure required for database producers.¹⁵⁰³ Under these difficult circumstances, the Commission had two options. The first was to do away with the idea of enacting a special right in the backdrop of the *Feist* decision. The other option was to experiment with a special right without any background knowledge concerning protection of non-original databases.¹⁵⁰⁴ Following the second option, the Commission continued on the path of experimentation.¹⁵⁰⁵ At this formative stage, jurisprudence developed as a result of *Feist* decision played a crucial role.¹⁵⁰⁶ The role of *Feist* was to concretize the idea that a new form of legislation is required to create a perfect atmosphere for investment.¹⁵⁰⁷ Even though *Feist* dealt with a phone directory, the comprehensive aspect is common in case of electronic and non-electronic databases.¹⁵⁰⁸ Therefore, *Feist* was a guiding star because it laid the foundation of future protection of comprehensive databases.¹⁵⁰⁹ While the idea for protecting comprehensive databases came from *Feist*, the structure of such protection measure was merely assumed, and requires further analysis.

1.1 Producers Offered Limited Protection

The first draft proposal limits the situation that may enable a producer to safeguard contents of his database. He can only rely on Database Right when substantial portions of the contents of his database have been copied or re-

¹⁵⁰³ *Supra* Chapter V.

¹⁵⁰⁴ *Ibid*, Section 4.

¹⁵⁰⁵ *Ibid*.

¹⁵⁰⁶ (COM (92) 24 final), para [2.3.3].

¹⁵⁰⁷ *Ibid*.

¹⁵⁰⁸ *Feist Publications* (n 4).

¹⁵⁰⁹ *Ibid*.

utilized.¹⁵¹⁰ However, such protection was limited only to electronic databases.¹⁵¹¹ This implies that in future, the impending problem was only with databases in electronic format. Databases in non-electronic format were not considered, although the contents in such format are prone to a greater degree of copying.¹⁵¹² There was a clear indication that at the time of electronic dissemination of information, there would be negligible production of important commercial databases in non-electronic format.¹⁵¹³ It is also evident that the term 'comprehensive' was given importance instead of databases in paper or electronic format.¹⁵¹⁴ By not extending protection to non-electronic databases, the Commission made it clear that limited protection was required for producers.

The concern relating to possible monopoly surrounding the protection of contents was considered in the first draft proposal.¹⁵¹⁵ However, this situation might have arisen in case of single source database producers.¹⁵¹⁶ Although protection is available for a database producer involved in the production of single source information database, further compulsory licensing provisions

¹⁵¹⁰ (COM (92) 24 final), Article 1[1].

¹⁵¹¹ Ibid, Article 2[5].

¹⁵¹² In practical terms it is difficult to scan each and every page of a printed database. On the other hand if someone manages to bypass the TPM, it is easier to copy data from an electronic database. The type of TPM includes both access control mechanisms and copy control mechanisms. User id/Password that comes under the access control mechanism may be breached, although this is not the only kind of access control mechanism that may be used by a database producer. Other forms of access control mechanisms are encryption technologies, digital signatures etc., Aashit Shah, 'UK'S Implementation of the Anti-Circumvention Provisions of the EU Copyright Directive: An analysis' (2004) Duke Law and Technology Review 3.

¹⁵¹³ (COM (92) 24 final), section 1.

¹⁵¹⁴ Ibid, para [1.2].

¹⁵¹⁵ Ibid, Article 8[1].

¹⁵¹⁶ *Infra* section 3.

removes monopoly concern.¹⁵¹⁷ Further, exceptions provided in the proposal balances the issue of accessibility of information. According to the first draft proposal, producer of an electronic database enjoys limited right for contents without the opportunity of unlimited monopoly over information.¹⁵¹⁸ Although the database producer was given an additional layer of protection for his database, there were enough hints to suggest that *Feist* principles were followed while protecting database comprising of facts.¹⁵¹⁹ Even though the Commission proposed protection of factual data by virtue of protecting investments, extra precaution was taken in case of extending protection to single source databases.¹⁵²⁰ The monopoly situation avoided in the *Feist* decision by not extending copyright protection to factual compilations was equally averted by the Commission by including a compulsory licensing provision.¹⁵²¹

1.2 Limited Incentive for Electronic Databases

The limited protection offered to database producers in the first proposal points to the possible requirement of minimum incentive for production of electronic databases.¹⁵²² In previous chapters, we have observed that without special incentive in place, production of electronic databases may continue.¹⁵²³ Further, there is no guarantee that production would be a natural outcome of any

¹⁵¹⁷ Ibid.

¹⁵¹⁸ Ibid, Article 6 and 7.

¹⁵¹⁹ Ibid, Article 2[3] and 2[4].

¹⁵²⁰ Ibid, Article 8[1].

¹⁵²¹ Ibid.

¹⁵²² (COM (92) 24 final).

¹⁵²³ *Supra* chapter III, section 3.

incentive.¹⁵²⁴ Although the explanatory memorandum to the proposal identified the immense potential of European database industry, the offer of limited incentive implies that European market do not need greater incentive to realize true potential of the database market.¹⁵²⁵ The draft proposal has highlighted competitive relationship with the US database market.¹⁵²⁶ Introducing limited incentive for producers in the background of increasing competition was particularly interesting. Logically such initiative indicates that despite less incentive, European database industry would be able to compete in the international market.¹⁵²⁷ With no precedent of Database Right, the approach in the first draft proposal was restrained.¹⁵²⁸

The proposal of limited incentive also suggests application of the *Feist* jurisprudence, when stating that most databases will receive copyright protection subsequent to the judgement of the US Supreme Court.¹⁵²⁹ Therefore, even in the period of uncertainty immediately after *Feist* decision, the Commission believed that amount of incentive required for database producers is less.¹⁵³⁰ This signifies that producers with a limited amount of incentive will invest towards production of electronic databases that are

¹⁵²⁴ First Evaluation of Directive 96/9/EC, para [5.3].

¹⁵²⁵ (COM (92) 24 final), sections 1 and 2.

¹⁵²⁶ *Ibid.*

¹⁵²⁷ With protection in place the European database industry could not do much in terms of number of databases, First Evaluation of Directive 96/9/EC, para [5.3].

¹⁵²⁸ Davison (n 72) page [60].

¹⁵²⁹ *Feist Publications* (n 4) page [345].

¹⁵³⁰ Similarly, there was a gap in the US immediately after the *Feist* decision, *Supra* chapter III, section 2.

essentially comprehensive in nature.¹⁵³¹ Going back to *Feist* decision, one observes that the available protection is essentially thin to prevent monopoly situation out of copyright protection.¹⁵³² The limited protection under the first draft proposal is comparable to the thin protection under *Feist* decision. Overall, although the Commission wanted to mend the apprehended post-*Feist* situation, the proposal was kept mostly within the periphery of the boundary created by *Feist*.¹⁵³³ At the stage of the first draft proposal, limited nature of the right proposed by the Commission reflects the impact of *Feist* jurisprudence in a major way. On the face of it, the fear of *Feist* decision did not result in a proposal that reflects negative impact of the decision.¹⁵³⁴

Four years subsequent to the first draft proposal, the Database Right was enacted in 1996. This transition from the first proposal and changes mentioned therein are discussed in the following sections.

2.0 Imbalance and Complexities in the Enactment

The Directive provides protection to databases in both electronic and non-electronic formats.¹⁵³⁵ Under the new structure, Database Right exists independent of any copyright protection that may subsist in the contents of a

¹⁵³¹ *Supra* chapter III, section 3.

¹⁵³² *Feist Publications* (n 4) page [349].

¹⁵³³ (COM (92) 24 final), para [2.3.3] and section 3.

¹⁵³⁴ The fact that limited protection was offered in the background of the possible negative effect, (COM (92) 24 final).

¹⁵³⁵ Council Directive 96/9/EC.

particular database.¹⁵³⁶ Contrary to this provision, the first draft suggested that there was no protection for a particular database under Database Right, if copyright or neighbouring rights subsisted in the contents.¹⁵³⁷

Other than including a commercial right that intended to stop misappropriation of contents from an electronic database, application of Database Right prevented private users from extracting for a non-commercial purpose.¹⁵³⁸ In the first draft, private use was not infringing in relation to the use of a database. The question of infringement was only limited to commercial misappropriation.¹⁵³⁹ Certain exceptions have been granted to a lawful user under Article 8 of the Directive. He may extract or re-utilize an insubstantial part of the contents for any purpose. However, such act should not interfere with the normal exploitation of database, or unreasonably prejudice the legitimate interests of the database maker.¹⁵⁴⁰ Other than mandatory exception under Article 8, the Directive under Article 9 provides an opportunity to member States to legislate optional exceptions for the lawful user, and for the purpose of teaching and research.¹⁵⁴¹ Under this provision, a lawful user may extract a non-electronic database for private purpose. For the purpose of illustration in teaching or scientific research, member States may provide an exception in relation to extraction of contents.¹⁵⁴² This extraction, however, should be for

¹⁵³⁶ Council Directive 96/9/EC, Article 7(4).

¹⁵³⁷ (COM (92) 24 final), Article 2[5].

¹⁵³⁸ Council Directive (96/9/EC), Article 9[a].

¹⁵³⁹ (COM (92) 24 final), Articles 8[4] and 8[5].

¹⁵⁴⁰ Council Directive 96/9/EC.

¹⁵⁴¹ Ibid.

¹⁵⁴² Ibid.

non-commercial use, and with due acknowledgement of source.¹⁵⁴³ On the other hand, according to Article 15, database producer cannot contract out the lawful user from legitimate rights under Article 8.¹⁵⁴⁴ The final version of the Directive removed compulsory licensing provision even if contents can only be obtained from a single database producer.¹⁵⁴⁵

Further, term of protection was extended from what was proposed in the first draft proposal. The term protection of Database Right was increased from the proposed ten years in the first draft to a period of 15 years in the Database Directive.¹⁵⁴⁶ This is renewable when there is substantial qualitative or quantitative change in contents because of qualitative or quantitative substantial investment. Substantial change may include "...additions, deletions or alterations".¹⁵⁴⁷ Even a substantial verification may be sufficient to start a fresh term of protection for a particular database.¹⁵⁴⁸ The Directive has been quiet about a number of new terms introduced in the final version of Database

¹⁵⁴³ Council Directive 96/9/EC, Article 6[2] [b].

¹⁵⁴⁴ As observed in the first draft proposal not much headway has been made in the final version of the Directive regarding the meaning associated to lawful user. According to the explanatory memorandum a lawful user is a person who has acquired the right to use a database. Varied interpretation has been given to the term, since the meaning has not been decided by the ECJ. There are three possible meanings attached to the term lawful user: user relying on statutory or contractual exceptions, license, or he is the lawful acquirer. Out of these, the option of lawful acquirer is the best choice in the opinion of commentators. It has been argued that the lawful user has got similar meaning as in the case of the Software Directive in EU 2009/24/EC. According to the Software Directive, a lawful user lawfully acquires the use of a database by a contract. For example, online databases obtained through subscription at libraries or research institutions. This interpretation seems to have some support, since Article 15 states that a database producer cannot contract out the lawful user from the rights offered under Article 8. Later in the thesis, the two possible meanings attached to lawful user will be analyzed in the context of access and infringement, Derclaye (n 72) pages[122]-[126].

¹⁵⁴⁵ Council Directive 96/9/EC, Article 16[3].

¹⁵⁴⁶ Ibid, Article [10(1)].

¹⁵⁴⁷ Ibid, Article [10(3)].

¹⁵⁴⁸ Ibid, Recital [55].

Right, although CJEU/ECJ has provided some explanations.¹⁵⁴⁹ In the first draft proposal, Database Right was limited in many respects.¹⁵⁵⁰ There was a balance between requirement of incentive and accessibility of information.¹⁵⁵¹ Database producers would have enjoyed limited protection for preventing unfair extraction of their contents.¹⁵⁵² The provisions on compulsory licensing, and the exceptions provided to a lawful user balanced the control over information.¹⁵⁵³ In the final version, changes made in the Database Right apparently look to provide more for database producer.¹⁵⁵⁴ In comparison to what was proposed in the first draft, there was a change in the overall requirement of incentive. The first draft proposal started on a cautious note, and did not portray the negative impact of *Feist* decision.¹⁵⁵⁵ The proposal did not reflect on the severity of the decision.¹⁵⁵⁶ In the space of four years there were certain changes made in the final structure of Database Right. There have been no explanations given as to why these changes are vital in the context of incentive for database producers.¹⁵⁵⁷ The proposed changes without reasonable grounds make us wonder about the arguments and logic that spearheaded the changes. These

¹⁵⁴⁹ ECJ's decision in *Oy Veikkaus* (n 193), *Organismos* (n 30), *Svenska Spel* (n 193), *British Horseracing Board Limited* (n 73), *Apis-Hristovich* (n 201), *Directmedia Publishing* (n 201).

¹⁵⁵⁰ Minimalistic solution offered to tackle the lack of uniformity in the laws protecting databases, and was meant to stop commercial copying of the contents of databases if they were not protected by copyright, Mark J Davison (n 72).

¹⁵⁵¹ *Supra* section 1.

¹⁵⁵² *Ibid.*

¹⁵⁵³ *Ibid.*

¹⁵⁵⁴ *Supra* section 2.

¹⁵⁵⁵ *Supra* section 1.

¹⁵⁵⁶ *Ibid.*

¹⁵⁵⁷ This is similar to the substantial changes that occurred at the Common Position in case of computer programs Directive in Europe, Council Directive 91/250EEC. There was a major deviation from the proposed text in the context of Article 6 of the said Directive, dealing with de-compilation, Bridget Czarnota and Robert J Hart, *Legal Protection of Computer Programs in Europe- A guide to the EC Directive* (Butterworths London 1991)23.

changes are signs of confusion that *Feist* decision generated in the long run, forcing the Commission to follow the path of changing the structure of the Directive.¹⁵⁵⁸ One of the perspectives is that immediate reaction of the *Feist* decision was not fully comprehended.¹⁵⁵⁹ The proposal, therefore, suggested limited protection for producers. It was only at a later stage that the effect of the decision was understood, and thus, changes were naturally brought about in the Directive.¹⁵⁶⁰ This understanding was not based on any concrete evidence.¹⁵⁶¹ Therefore, the *Feist* decision initiated initial complexities followed by negative effect in the database legislation.

2.1 Threshold of Substantial Investment Uncertain

Feist developed the idea that modicum of creativity is sufficient for compilations to merit copyright protection.¹⁵⁶² At the European level, it was believed that producers involved in producing databases that are non-original by copyright standard would fail to meet this modicum of creativity.¹⁵⁶³ If Database Right was an incentive to compensate the producers, then the threshold of substantial investment would certainly be less stringent.¹⁵⁶⁴ We have already observed that modicum of creativity is not a difficult threshold to meet, and a non-obvious selection or arrangement in a factual compilation can easily fulfill

¹⁵⁵⁸ There was less concern in US, *Supra* chapter II.

¹⁵⁵⁹ There was inaction in US, *Supra* chapter III, section 2.

¹⁵⁶⁰ The producers in US did invest towards database, *Supra* chapter III, section 3.

¹⁵⁶¹ Bitton (n 113) page [1426].

¹⁵⁶² *Feist Publications* (n 4) page [346].

¹⁵⁶³ (COM (92) 24 final) paras [3.2.5] – [3.2.6].

¹⁵⁶⁴ First Evaluation of Directive 96/9/EC, para [4.1.2].

such requirement.¹⁵⁶⁵ Therefore, the word ‘substantial’ pre-fixed to investment could be misleading.¹⁵⁶⁶ Substantial investment can take either qualitative or quantitative form, but the Directive has been silent about the actual meaning of the word ‘substantial’.¹⁵⁶⁷ If the objective behind creating this right is to protect databases that fail to meet modicum of creativity requirement then type of investment is important. It is not necessary to quantify the investment made towards a particular database.¹⁵⁶⁸ This argument has been validated by ECJ in the case involving British Horseracing Board.¹⁵⁶⁹ ECJ pointed to the investment towards creating of data used in a database. Further, Recital 39 talks about protecting outcomes of financial and professional investment.¹⁵⁷⁰ On a similar note Recital 40, talks about deployment of “financial resources and/or the expending of time, effort and energy”.¹⁵⁷¹ All of the aforementioned examples state the type of investment that would qualify for protection under Article 7. Further, as discussed in the previous chapter, Recital 19 points to the type of investment that would not qualify for protection.¹⁵⁷² These explanations also suggest that the scope of substantial investment is essentially broad by structure.¹⁵⁷³ Essentially any investment qualifies under Article 7 except those that have been explicitly stated under Recital 19.¹⁵⁷⁴ Keeping a broad coverage would signify the intention to cover maximum number of databases. The wide

¹⁵⁶⁵ *Supra* chapter II, section 4.

¹⁵⁶⁶ Davison(n 72) page [83].

¹⁵⁶⁷ Cornish and others (n 1019) page [877].

¹⁵⁶⁸ Derclaye (n 72) pages [73]-[75].

¹⁵⁶⁹ *British Horseracing Board Limited* (n 73).

¹⁵⁷⁰ Council Directive 96/9/EC.

¹⁵⁷¹ *Ibid.*

¹⁵⁷² *Supra* chapter IV, section 1.

¹⁵⁷³ Derclaye (n 72) page [75].

¹⁵⁷⁴ Council Directive 96/9/EC.

coverage of substantial investment, under Article 7 suggests that majority of the databases should be protected. It presumes the idea that incentive is required for their production.¹⁵⁷⁵

By keeping the scope wide enough for producers, the Article did not manage to avoid uncertainties. The first evaluation report pointed to such uncertainties surrounding the meaning of word 'substantial', which have led to various interpretations in the member States.¹⁵⁷⁶ For instance, the evaluation report specifically considered four decisions on substantial investment. The first two were Dutch case decisions in *NVM v. De Telegraaf* and *Algemeen Dagblad a.o. v. Eureka (Kranten.com)*.¹⁵⁷⁷ In *De Telegraaf*, cost of collecting and maintaining up-to-date information concerning several thousands of real estate properties amounted to substantial investment. On the other hand, in *Eureka*, headlines of articles published in a newspaper were held to be a mere 'spin-off' of the newspapers' publishing activities. Hence, the Court ruled that there was no substantial investment in spin-off databases.¹⁵⁷⁸ The remaining two cases were

¹⁵⁷⁵ *Supra* chapter III, section 3.

¹⁵⁷⁶ First Evaluation of Directive 96/9/EC ; The scholars are concerned with the delimitation of substantial investment, since the concept of substantial is vague, Matthias Leistner ' The legal protection of telephone directories relating to the new database maker's right' (2000) 31(7/8) Intl R of IP & Comp L 950, 957-958.

¹⁵⁷⁷ LJN: AA8588, Rechtbank 's-Gravenhage , KG 00/949, English version available at <<http://www.ivir.nl/files/database/index.html#thenetherlands-nvm>> (accessed 10 March 2009); President District Court of Rotterdam, 22 August 2000, Media forum 2000, p. 344, [2000] AMI 205, note K.J. Koelman; English translation available at <<http://www.ivir.nl/rechtspraak/kranten.com-english.html>> (accessed 10 March 2009).

¹⁵⁷⁸ See the ECJ's judgement in C-203/2 where it was held that spin-off databases may be protected if there is a separate substantial investment.

baumarkt.de and *Hit Bilanz* in Germany.¹⁵⁷⁹ In *baumarkt.de*, while website may be a database, it was held that the investment towards construction, maintenance or display of data in that website was not substantial.¹⁵⁸⁰ In *Bilanz*, the plaintiff made a German “Top 10” hit chart of music titles, which was published weekly. Based on their sales number and radio playing times, the Court acknowledged that the plaintiff’s effort of collection and verifying such music requires substantial investment.¹⁵⁸¹ There is no definite indication about the meaning associated with substantial investment. The decisions have converged leading to the conclusion that substantial investment has been given a broad scope. On one end of the spectrum, there is monetary investment and at the other end, time and effort spent in databases are considered sufficient to meet threshold of substantial investment.¹⁵⁸² The broad meaning associated with substantial investment is not only confined to these four decisions, but have emerged in other member States as well.¹⁵⁸³ Subsequent to the enactment of Database Right, commentators thought that substantial investment would not necessarily mean a stringent test to be followed by database producers.¹⁵⁸⁴

¹⁵⁷⁹ *baumarkt.de*, Oberlandesgericht Düsseldorf 29 June 1999, [1999] *Multimedia und Recht* 729, English version available at < <http://www.ivir.nl/files/database/index.html#germany>> accessed 10 March 2009; Federal Supreme Court (Bundesgerichtshof), 21 July 2005; English version available at < <http://www.ivir.nl/files/database/index.html#germany>> (accessed 10 March 2009).

¹⁵⁸⁰ *Ibid.*

¹⁵⁸¹ *Ibid.*

¹⁵⁸² Derclaye (n 72) page [75].

¹⁵⁸³ *Ibid.*, page [79].

¹⁵⁸⁴ In all likelihood, substantial investment would possibly carry a broad meaning. In addition to financial resource, which is an obvious example of substantial investment, the question of human investment with regards to spending time, effort and energy have been considered,

Since the definition of database is broad, a wide coverage of substantial investment has resulted in the protection of databases of various kinds.¹⁵⁸⁵ For a particular database, it is difficult to ascertain the exact requirement to meet the threshold of substantial investment. The overall objective of this Directive is to create a sense of stability among producers.¹⁵⁸⁶ It has failed to provide certainty at the first step by leaving the definition of substantial investment for wide interpretation.¹⁵⁸⁷ Therefore, it is not easily explicable why there was no substantial investment in the construction, maintenance or display of a website.¹⁵⁸⁸ In the same jurisdiction, hit chart of music titles received protection under Article 7.¹⁵⁸⁹ Arguably, other than the types specified under Recital 19, all other investments should be able to qualify for the threshold of substantial investment.¹⁵⁹⁰ It shows the existing uncertainty that we have with threshold of substantial investment.¹⁵⁹¹ Uncertainty with threshold may reduce incentive for producers to invest towards databases.

Recital 40 Council Directive 96/9/EC; Juliet Jenkins, 'Database rights' subsistence: under starter's order' (2006)1(7) *Journal of Intellectual Property Law & Practice*, 467-477.

¹⁵⁸⁵ For instance, a non-copyrightable list of a list of permanent memory addresses of mobile phones to be used in forensic investigations has been found protectable under *sui generis* Database Right in *Forensic Telecommunications Services Limited* (n 74).

¹⁵⁸⁶ First Evaluation of Directive 96/9/EC, section 2.

¹⁵⁸⁷ *Ibid*, para [4.1.2].

¹⁵⁸⁸ *Supra* (n 1579).

¹⁵⁸⁹ *Ibid*.

¹⁵⁹⁰ Council Directive 96/9/EC.

¹⁵⁹¹ First Evaluation of Directive 96/9/EC, para [4.1.2].

As opposed to *Feist*, the intention has been to include as many databases as possible by virtue of the threshold of substantial investment.¹⁵⁹² The task of rectifying the judgement of *Feist* began by structuring Database Right in a format that could easily be fulfilled by database producers.¹⁵⁹³ Therefore, the pre-conceived notion was that *Feist* essentially raised the standard of copyright which is unachievable by most databases.¹⁵⁹⁴ As a negative impact, *Feist* decision led to believe, notwithstanding the fact there was no evidence to suggest otherwise, the uncertainties that are likely to follow with less number of protected databases.¹⁵⁹⁵ It was difficult to judge the threshold standard in the absence of evidence.

2.2 Limited Exceptions in a Broad Right

Following the intent to cover most databases, the final version of the Directive restricted the use of contents fearing misappropriation.¹⁵⁹⁶ There are no generous exceptions in the Directive, especially in the chapter concerning Database Right.¹⁵⁹⁷ In the process of creating enough incentive for producers, there are considerable imbalances in the Database Right part of the Directive.¹⁵⁹⁸ This is in contrast with the *Feist* decision in US. Even after acknowledging a creativity threshold that can easily be fulfilled by database producers, the US Supreme Court ensured that there are enough exceptions to

¹⁵⁹² (COM (92) 24 final), para [2.3.3].

¹⁵⁹³ Ibid.

¹⁵⁹⁴ Unlike *Supra* chapter II, section 4.

¹⁵⁹⁵ (COM (92) 24 final) para [2.3.3].

¹⁵⁹⁶ Council Directive 96/9/EC, Article 7.

¹⁵⁹⁷ Ibid, Article 9.

¹⁵⁹⁸ Derclaye (n 72); Davison (n 72).

such right.¹⁵⁹⁹ The shift in favour of the database producer meant that a lawful user is given limited rights in the final version of the Directive.¹⁶⁰⁰

In the midst of many possibilities, a lawful user is someone who has lawfully acquired the database either through a license or through a contract.¹⁶⁰¹ There is a fundamental difference between a license and a contract. Unlike a contract, in a license there is limited possibility of negotiating the terms. For instance, for an end-user a software license comes bundled with software, where the terms are not negotiable.¹⁶⁰² Arguably, designating a lawful user as 'any user' is erroneous.¹⁶⁰³ Since there is no clear indication about the status of a lawful user, two possibilities must be covered, i.e. any user or a lawful acquirer.¹⁶⁰⁴

There was concern that a lawful user (any user), can extract and re-utilize contents of a database for private purposes prejudicing the normal exploitation

¹⁵⁹⁹ The thin protection limitation, *Feist Publications* (n 4) page [349].

¹⁶⁰⁰ Article 8 in comparison to the rights of a lawful user under the first draft proposal, Council Directive 96/9/EC; *Supra* section 1.

¹⁶⁰¹ Derclaye (n 72) pages [124]-[126]; Lawful user is the person who has obtained the copy of a database in a lawful way, Vinciane Vanovermeire, 'The concept of the lawful user in the database Directive' (2000) 31(1) IIC 63.

¹⁶⁰² Christopher M. Newman, 'A License Is Not a "Contract Not To Sue": Disentangling Property and Contract in the Law of Copyright Licenses' (2013) 98 Iowa Law Review 1101, 1104. The first draft proposal talks about shrink-wrap agreements, which are essentially drafted unilaterally by producers. (COM (92) 24 final), para [4.2.9].

¹⁶⁰³ *Ibid*; arguing against the proposition that a lawful user, under Article 8 is similar to the lawful user under copyright law. Under copyright law there is no need of contract for a lawful use, Mark J Davison(n 72) pages [77]-[78]; Similarly, Grosheide states that they are similar but not identical, F W Grosheide, 'Database Protection- the European Way'(2002) 8(1) Wash U J L & Poly 39, 67.

¹⁶⁰⁴ *Ibid*. Derclaye (n 72) page [120].

of the database by a database producer. ¹⁶⁰⁵As a result, the final version excluded this exception, although such provision was present in the first draft proposal.¹⁶⁰⁶ However, any user simply would not have access to any particular database. The database producer employs several protection measures before releasing a database for the public.¹⁶⁰⁷ Some of these measures encompass the use of Technological Protection Measures and restrictions through password access.¹⁶⁰⁸ Therefore, it is impossible for any user to access a database in the first place, let alone extract and re-utilize for private purpose. There are instances though when a person may bypass the restrictions.¹⁶⁰⁹ It would constitute an offense relating to cybercrime, and is not a subject matter to be considered under Database Right.¹⁶¹⁰ Mere existence of a right because of instances of illegal downloading is not the correct argument. Illegal downloading would continue even in the presence of Database Right. ¹⁶¹¹This justifies strengthening Technological Protection Measures, and not enactment of a new right, which is not suited to control such downloading.¹⁶¹²

When a lawful user is a lawful acquirer, there may be a possibility that he extracts and re-utilizes a database beyond private purpose. The argument that

¹⁶⁰⁵ Council Directive 96/9/EC Article 8[3].

¹⁶⁰⁶ (COM (92) 24 final), Articles 8[4] and 8[5].

¹⁶⁰⁷ There are two categories of technological protection measures used. They are access control measures and copy control measures. Access control measures include cryptography, passwords and digital signatures. Copy control mechanisms are used in case of audio and video those are in electronic format, Shah (n 1512).

¹⁶⁰⁸ Ibid.

¹⁶⁰⁹ Derclaye (n 72) page [197].

¹⁶¹⁰ *Supra* chapter III, section 1.2.

¹⁶¹¹ Derclaye (n 72) page [197].

¹⁶¹² *Supra* chapter III, section 1.2.

a lawful acquirer may act against normal exploitation of a database is assessed through the lens of the size of prospective databases that are available for a lawful acquirer.¹⁶¹³ These databases may be small, medium sized, or they may be as big as Westlaw or LexisNexis.

In case of a small or medium size database, a lawful acquirer may be able to copy contents depending on the resources available to him. However, it is questionable whether he would be able to compete where the original database needs regular updates.¹⁶¹⁴ Useful databases would require regular updates irrespective of the format. Whether it is a telephone directory in paper-format or an electronic database providing information about case law, they all must be updated for the purpose of accuracy and acceptability among their users.¹⁶¹⁵ Where there is no need to update a database on a regular basis, it may be possible that a lawful user extracts the database and competes with the original maker. Again, one has to remember that merely copying contents of a database may not be enough. Presentation is very important and holds the key to a commercially successful database.¹⁶¹⁶

¹⁶¹³ There is a general understanding that the cost towards the production of databases would act as a barrier for those who are interested in the manufacturing of similar databases, Reichman and Samuelson (n 72) page [81].

¹⁶¹⁴ There is protection for regular updates under the database directive as long as it is substantial either quantitatively or qualitatively, Council Directive 96/9/EC, Article [10(3)].

¹⁶¹⁵ That is the reason why investment towards renewal is protected, Ibid.

¹⁶¹⁶ *Supra* chapter II, section 3.

When the database is big, there are some practical difficulties in re-building a database of the size of Westlaw or LexisNexis. Primarily, large amount of resources will be required to create a database of this size.¹⁶¹⁷ It is even more difficult to make such database commercially viable, which would be able to compete with other similar databases.¹⁶¹⁸ In any case requirement of substantial amount of resources at the initial stages makes database business market monopolistic in nature.¹⁶¹⁹ Removal of the provision (private purpose) in the final version would less likely have created any difference. This removal signifies over-protective measure, which will ultimately benefit a producer.¹⁶²⁰

The above outlined argument suggests that private use of a database is seldom going to challenge the investment made by a commercial database maker. Even if copied in the process, in economic terms, such use is unlikely to create any substantial uneasiness. Restricting private use is a sign of imbalance enshrined in the Database Right.¹⁶²¹ It is doubtful that database producers, without limited exceptions would not have sufficient incentives to invest towards

¹⁶¹⁷ There is a barrier due to the cost factor towards the production of electronic factors, Reichman and Samuelson (n 72) page [81].

¹⁶¹⁸ The first draft proposal spoke on the issue of making European databases competitive (COM (92) 24 final) sections 1 and 2.

¹⁶¹⁹ Reichman and Samuelson (n 72) page [81].

¹⁶²⁰ Competitive databases rarely emerge because of the barrier of high cost of making the database, Reichman and Samuelson (n 72) page [81]; The OECD published report concerning computerized database market stated that in the field of Science and Technology, there were only seven major International publishers. This number was sure to come down to four to five publishers in the future, Lydia Arossa, *Economic and Trade Issues in the Computerized Database Market (Information Computer Communication Policy Paper)* (OECD 1993); This shows that database market is essentially monopolistic in nature and the market was performing even prior to the enactment of the database right.

¹⁶²¹ First Evaluation of Directive 96/9/EC, para [4.3].

the production of electronic databases.¹⁶²² There is a danger that with severe restrictions to accessibility, the overall impact is damaging for the society.¹⁶²³ The lawful users in any of the aforementioned forms have less scope with regards to the use of information. While *Feist* talked about freeing up information, the Database Right did the exact opposite.¹⁶²⁴ The confusion surrounding question of incentive and exceptions directly relate to the decision of *Feist*. This change unlike the copyright legislation brings about a negative impact of the decision.¹⁶²⁵

In the context of Database Right, member States have the opportunity to frame exceptions for a lawful user, but such opportunity is severely limited in many ways.¹⁶²⁶ Under this provision, a lawful user can only extract insubstantial portions of a non-electronic database for private purpose.¹⁶²⁷ This restriction is difficult to understand since there is no public dissemination in private use, and such use does not seem to affect the investment of a database maker.¹⁶²⁸ Furthermore, the exception is only for non-electronic databases. From the point of utility, restricting extraction to non-electronic databases for private purpose is

¹⁶²² Even the exceptions provided in the copyright part of the Directive under Article 5(2(b)) are broad than the *sui generis* part; Matthias Leistner, 'Legal protection for the database maker-initial experience from a German point of view' (2002) 33(4) IIC 439,458.

¹⁶²³ First Evaluation of Directive 96/9/EC, para [4.3].

¹⁶²⁴ *Feist Publications* (n 4) page [349].

¹⁶²⁵ *Supra* chapter IV, sections 2 and 3.

¹⁶²⁶ This could be more problematic depending on how the exceptions are incorporated by the member States; A comparison with the copyright Directive of 2001 shows that such Directive has a long list of exceptions for the member states. A compulsory exception is there for temporary non-commercial acts of reproduction with a proposal for similar exception for extraction, Beunen (n 72) page 228.

¹⁶²⁷ Council Directive 96/9/EC, Article [9(1)].

¹⁶²⁸ Derclaye (n 72) page [131].

virtually a meaningless right for a lawful user. This is because important databases were believed to be electronic in nature, and Database Right was enacted in the background of a potential electronic database market.¹⁶²⁹

2.3 Uncertain Term of Protection

The negative jurisprudence of *Feist* decision not only affected the rights of a lawful user but also created uncertainties for a producer.¹⁶³⁰ Even with incentive in place and limited exceptions, the term of protection creates a number of ambiguities with respect to the Database Right.¹⁶³¹ One can say that the issue of creating incentive with limited exceptions for database producers is an outcome of negative jurisprudence arising from the *Feist* decision,¹⁶³² but the ambiguities have no direct connection with the decision. The extension of the term from ten to 15 years is indicative of the intention that protection measure under Database Right is meant to be for a long period.¹⁶³³ Extension without adequate concern also reflects uncertainties in the background of incentive required for producers.¹⁶³⁴

¹⁶²⁹ The first draft thought of protecting only electronic databases, Database Directive proposal (COM (92)24 final).

¹⁶³⁰ *Supra* sections 2.1 and 2.2.

¹⁶³¹ The fear is with perpetual protection of the contents of a database on every substantial change. If we go by the threshold of substantial investment, the word substantial may be misleading, Simon Chalton, 'The Amended Database Directive Proposal: A Commentary and Synopsis' (1994) 3 EIPR 94, 97; Mark Schneider, 'The European Union Database Directive' (1998) 13 Berkeley Technology Law Journal 551, 551 at available at <<http://scholarship.law.berkeley.edu/btlj/vol13/iss1/35>> (accessed 10 November 2010).

¹⁶³² *Supra* section 2.

¹⁶³³ Comparing Article 10[1], Council Directive 96/9/EC with COM (92)24 final), Article 9[3].

¹⁶³⁴ Rosler (n 683) page [118]; Schneider (n 1631) page [556]; Davide Mula and Mirko Luca Lobina, 'Legal Protection of the Web Page' in Hideyasu Sasaki (ed) *Information Technology for Intellectual Property Protection: Interdisciplinary Advancements* (Information Science Reference 2012) page [214].

It is difficult to understand the basis of extending protection to 15 years owing to the dynamic nature of databases.¹⁶³⁵ The database market is of varied nature. Term of protection required for a database depends on its type, investment made and frequency of update.¹⁶³⁶ For a database that needs regular updates, term protection stretching for a period of 15 years is questionable.¹⁶³⁷ For instance, available protection may not be beneficial in case of a database comprising of information required for a stock market and for other similar databases.¹⁶³⁸ Providing more protection than required to factual information may result in monopoly situation.¹⁶³⁹ Similarly databases incurring large investment may require more time to recover their cost. For them, the term may be less, and it may cause less incentive for database producers.¹⁶⁴⁰ The issue may be grave in case of a database producer who not only controls information, but also creates the same information.¹⁶⁴¹ Depending on the term, protection for single source databases may result in keeping away information from public

¹⁶³⁵ It has been suggested that it was extended as a result of the influence of publishers. However, there is no existing proof of such incident happening in EU, Wayman (n 629) page [439]; Schneider (n 1631) page [556]; Derclaye (n 72) page [140] .

¹⁶³⁶ For substantial discussion on the issue of term of protection, Derclaye (n 72) pages [137]-[144]

¹⁶³⁷ Ibid.

¹⁶³⁸ The period may be too long for databases with short life span -stock exchange list, fixture list or job vacancy. On the other hand, it may be too short for low sales databases, NautaDutilh Final Report: The Implementation and Application of Directive 96/9/EC on the legal protection of databases (Study commissioned by European Commission) available at <http://ec.europa.eu/internal_market/copyright/docs/databases/etd2001b53001e72_en.pdf> (2002) (accessed 10 February 2010) 494; Beunen (n 72) page [36].

¹⁶³⁹ Derclaye (n 72) page [138].

¹⁶⁴⁰ Ibid.

¹⁶⁴¹ *Infra* Section 3.

domain for a longer period.¹⁶⁴² There are various misgivings when the right is not balanced for either a producer or for public at large.¹⁶⁴³ Issues that emerge relating to single source database producers have been considered in much greater details in the next section.

Much has been said about how indecision exists with reference to the renewal provision under Article 10.¹⁶⁴⁴ Whether it is an issue of substantial investment coupled with substantial change, or the issue of fresh protection towards existing data, the Database Right stands at crossroad wherein, it may not be useful to database producers or good from the point of dissemination of information.¹⁶⁴⁵ Further to the potential problems that already exist, one needs to identify the challenges in framing a right without much previous knowledge.¹⁶⁴⁶ It was difficult to predict the future of electronic databases through the narrow window that *Feist* had provided.¹⁶⁴⁷ Whether it is the scope, the features or the term of protection, the initial uncertainties and eagerness of Europe to go beyond US market led to structural anomalies in the Database Right.¹⁶⁴⁸ It is an example of negative jurisprudence that originated from *Feist*, and continued throughout the entire process of enactment.

¹⁶⁴² Derclaye (n 72) page[138].; Single source database may result in absolute monopoly of downstream information of products and services, P Bernt Hugenholtz (n 72) pages[203], [217].

¹⁶⁴³ *Infra* section 3.

¹⁶⁴⁴ Derclaye (n 72) pages [137] and [144].

¹⁶⁴⁵ These aspects have been explained lucidly by Derclaye (n 72) pages [139]-[141] and 147; First evaluation of Directive 96/9/EC.

¹⁶⁴⁶ Bitton (n 113) page [1426].

¹⁶⁴⁷ There was gap in the US and relatively less concern after *Feist* decision *Supra* chapter III, section 2.

¹⁶⁴⁸ (COM (92)24 final), section 2.

Theoretically, Database Right is heavily inclined in favour of a database maker, and has been under scathing attacks, since its enactment in 1996.¹⁶⁴⁹ The first evaluation report of the Database Directive expressed complexities surrounding the right.¹⁶⁵⁰ On an overall note, the scope and exceptions suggest that there is a considerable imbalance present in the Database Right. Over the period of five years from first proposal to the final version, Database Right has failed to pinpoint the exact requirement.¹⁶⁵¹ The ineffectiveness of Database Right is clear from observations made in the first evaluation report.¹⁶⁵² The aforementioned sections have indicated a host of issues that may create problems, while applying Database Right. In the background of current problems enshrined in Database Right, the following section analyses the extent of one of the many problems that are anticipated with single source databases.

¹⁶⁴⁹ The extension of the term of protection to fifteen years was without consulting any economic evidence, Estelle Derclaye (n 72) page [147]; There are several grey areas in the *sui generis* database right. Mainly, the criticisms have surrounded the scope, exceptions and term of protection with its renewal clause, Mark J Davison, 'Proposed U.S. Database legislation: a comparison with the U.K database Regulations' (1999) 21(6) EIPR 279; Mainly with its exceptions and renewal clause with the possible monopoly situation, Estelle Derclaye (n 72) paras[138]-[144]; It is one of the most complex rights and least balanced right to exist, Reichman and Samuelson(n 72) page [81]; Strong criticisms have been made against the *sui generis* database right part for being vague and uncertain, since it has left many areas open for interpretation, Stamatoudi (n 955); The *sui generis* right is difficult to understand, First Evaluation of Directive 96/9/EC; On the other hand, despite of the criticisms concerning the database right, Jens Gaster is of the opinion that big problems have not resulted because of the database right, Jens Gaster, 'The EC *sui generis* right revisited after two years: a review of the practice of database protection in the 15 EU Member States' (2000) 5(3) Communications Law 87.

¹⁶⁵⁰First Evaluation of Directive 96/9/EC.

¹⁶⁵¹ The challenges with a novel right, Mark Powell (n 171) page [1217]; First Evaluation of Directive 96/9/EC.

¹⁶⁵² First Evaluation of Directive 96/9/EC.

3.0 Concern with Single-Sourced Databases

As a measure of dualistic approach under Database Directive, Database Right ensured codification of 'sweat of the brow' theory.¹⁶⁵³ There were anti-competitive concerns with such codification in place. In other words, Database Right will protect facts, and may result in monopolization of information. The factor which compounded the fear of monopolization was the removal of compulsory licensing provision for single source databases.¹⁶⁵⁴ Removal of compulsory licensing provision may effectively lock up information, and increase the price of accessibility, while indulging in monopolistic practice.¹⁶⁵⁵

¹⁶⁵³ Jens L Gaster, 'New EU Directive Concerning the Legal Protection of Databases' (1997) 20(4) *Fordham Int'l L J* 1129, 1142.

¹⁶⁵⁴ Removal of compulsory licence was justified based on the argument that reliance must be placed on competition law, Recital 47. Instead a provision under Article 16 of the Directive was included in order to assess any abuse of dominant position in case single source databases. There is a difference between the economic concept of a dominant position and the legal monopoly granted by intellectual property right. The economic concept of a dominant position is scrutinised under the European competition law and mere ownership of intellectual property may not amount to a dominant position, Beunen (n 72) page [236]; On the issue of information monopolies, the ECJ in Case C 241–242/91P *Radio Telefis Eireann and Independent Television Publications Limited (Intellectual Property Owners Inc. intervening) v E.C. Commission (Magill TV Guide Limited intervening)* [1995] 4 CMLR 718.

[The Magill case] commented that refusal to grant license on an intellectual property may under exceptional circumstances amount to abuse of dominant position. The main issue in this case was sole source database, and refusal to grant license on basic information. However, there is no clear guideline that refusal of license will always amount to an abuse of a dominant position Beunen (n 72) page [241]; The Directive, however, explicitly states that competition law is applicable to the databases protected under it, Council Directive 96/9/EC Articles [13] and [47]

¹⁶⁵⁵ The fear of monopoly in the absence of compulsory provision is real and competition law, as suggested under Recital 47 of the Directive may not provide adequate remedies, Reichman and Samuelson (n 72), Catherine Colston, 'Sui generis Database right: Ripe for Review?' (2001) available at < http://www2.warwick.ac.uk/fac/soc/law/elj/jilt/2001_3/colston > (accessed 10 December 2009); Stephen M Maurer and others (n 828) pages [769]-[770]; There are quite a few areas in the *sui generis* database right where the issue of monopoly can be raised. They include the term of protection, which currently is based at 15 years. However, this again can be said in the context of sole source databases and the possibility that data can be monopolised for a period of 15 years, Estelle Derclaye (n 72) page [145]; D Vaver has been a critique of extending term protection without respectable empirical foundation in D Vaver, 'The Copyright

In the background of such concern, opinion of ECJ (the CJEU) in the case of *BHB* is observed.¹⁶⁵⁶ The decision of *BHB* represents the first instance when a matter related to Database Right was referred to ECJ.

Further, BHB managed horseracing industry in the United Kingdom. BHB maintained a database, which contained large amount of information supplied by horse owners, trainers, horse race organizers and others who were involved in the racing world.¹⁶⁵⁷ Among other things, the database contained information about one million horses, their pre-race information, including name, place and date of a particular race. The cost of running such database was nearly 4 million pounds per annum at that time.¹⁶⁵⁸ This database was accessible online, and the official journal of BHB published some of the contents each week. The contents for the use of bookmakers and various other subscribers were in the form of a 'Declarations Feed' and 'Raw Data Feed' (RDF).¹⁶⁵⁹ These two sources provided information like name of the horses, name of the jockeys, saddlecloth numbers and the weight of each horse running in a particular race. For the public, the general information about a particular race was available *via* newspapers, cee-fax and teletext services.¹⁶⁶⁰

Mixture in a Mixed Legal System: Fit for Human Consumption?', (2001) available at <<http://www.ejcl.org/52/abs52-3.html>> (accessed 15 March 2011).

¹⁶⁵⁶ *British Horseracing Board* (n 73).

¹⁶⁵⁷ These are synthetic data in the sense they do not exist in natural form. Synthetic data need certain kind of construction, for example data concerning racing information and stock market quotes, Samuel E Trosow, 'Sui Generis database legislation' (2005) 7(1) *Yale J of L & Tech* 535, 541.

¹⁶⁵⁸ *British Horseracing Board* (n 73) page 7.

¹⁶⁵⁹ *Ibid.*

¹⁶⁶⁰ *Ibid.*

William Hill is a leading bookmaker in the United Kingdom, and was a subscriber of both the Declaration feed and the RDF.¹⁶⁶¹ William Hill provides betting services through its network of offices and over telephone. For the use of betting information, the company paid licensing fees to BHB. Later, William Hill launched its own betting services on two internet sites, which contained name of the horses running at a particular racecourse, date and time of the race, the name of the racecourses, alongside the odds offered by William Hill. The information provided on betting website was already available for public through newspaper and teletext services.¹⁶⁶²

There are few observations about the website of William Hill and the BHB database. In comparison to the database of BHB, information displayed on the website of William Hill represented a small amount of data. William Hill only provided name of the horses in a particular race, date and time of a race, alongside name of the racecourses. Moreover, in comparison to the database of BHB, referencing system of information was different in the websites.¹⁶⁶³

In relation to the websites maintained by William Hill, BHB and others brought an action alleging infringement of the Database Right.¹⁶⁶⁴ The infringement claim was based under Article 7(1) and 7(5) alleging extraction and re-utilization of the contents, and on systematic repeated extraction and re-

¹⁶⁶¹ Ibid.

¹⁶⁶² Ibid.

¹⁶⁶³ Ibid.

¹⁶⁶⁴ Ibid.

utilization of insubstantial part.¹⁶⁶⁵ William Hill said there was no infringement, since information provided in the websites was already available in the public domain. Moreover, information displayed on their websites was insubstantial and did not infringe the right of BHB.¹⁶⁶⁶

At the preliminary stage, the Court in England suggested that for the Database Right to subsist, substantial investment should be made towards gathering or obtaining existing data, and not towards creating those data.¹⁶⁶⁷ However, when creation and obtaining happens simultaneously, which results in inseparable substantial investments towards the obtaining of contents, then such investment is within the scope of Database Right.¹⁶⁶⁸ In other words, a company has protection for overlapping substantial investment at the time of simultaneously creating and incorporating data in their database.¹⁶⁶⁹ The database of BHB provides an example where there was overlapping substantial investment in the process of creating and obtaining contents.¹⁶⁷⁰ In this instance, the Court decided the matter in favour of BHB. Prior to the referral to ECJ, the Advocate General agreed with the aforementioned viewpoint of the Court in England.¹⁶⁷¹

¹⁶⁶⁵ *British Horseracing Board* (n 73) page [7].

¹⁶⁶⁶ *The British Horseracing Board Limited, The Jockey Club and Weatherbys Group Limited v William Hill Organization Limited* [2001] ECDR 20, page [270].

¹⁶⁶⁷ *Ibid.*

¹⁶⁶⁸ *Ibid.*

¹⁶⁶⁹ *Ibid.*

¹⁶⁷⁰ *Ibid.*

¹⁶⁷¹ Opinion of Advocate General Stix-Hackl, on *British Horse Racing Board v. William Hill* (8 June, 2004) available at < <http://curia.europa.eu/jurisp/cgi-bin/form.pl?lang=en> > (accessed 10 November 2008).

The ECJ considered that the purpose of the Directive is to promote and protect investment in data storage and processing system, which will contribute to the growth of the information market.¹⁶⁷² Against this background, investment made towards obtaining the contents of the database is “the resource used to seek out existing independent materials and collect them in the database and not to resources used for the creation as such of independent materials”.¹⁶⁷³ This opinion is similar to the view expressed by the English Court, and corroborates with the opinion of the Advocate General.¹⁶⁷⁴ Thus, ECJ approved protection of investments directed towards collection of existing data, but not the investment towards creation of such data.

While speaking on the issue of inseparable substantial investment due to simultaneous action of creating or obtaining, ECJ touched upon the situation when a creator of a database is also the creator of contents.¹⁶⁷⁵ According to ECJ, this situation does not automatically preclude the database maker from protection, if he could show substantial investment independent of investment made at the time of creating the data.¹⁶⁷⁶ Ultimately, the matter was decided against BHB because there was no separate substantial investment, while

¹⁶⁷² *British Horseracing Board* (n 73) page [10].

¹⁶⁷³ *Ibid* page [3].

¹⁶⁷⁴ [2001] ECDR 20; *Supra* (n 1666).

¹⁶⁷⁵ *British Horseracing Board* (n 73) page [3].

¹⁶⁷⁶ *Ibid* pages [3] and [10].

obtaining data for their database.¹⁶⁷⁷ Therefore, the opinion of ECJ differs from the decision of the Court in England, and opinion expressed by the Advocate General.

According to Jens Gaster, there was no intention on the part of the framers to create a distinction between generation of data and collection of data.¹⁶⁷⁸ He said that the translation error led to such artificial distinction, and related the meaning of 'obtinere' to the word 'obtaining' expressed under Database Right.¹⁶⁷⁹ 'Obtinere' is a comprehensive term, and includes obtaining subsequent to creation and generation of data.¹⁶⁸⁰ The original version of the Directive was in French because of the French Presidency, and *obtinere* in

¹⁶⁷⁷ There have been two recent decisions in England suggesting the right type of investment towards obtaining, *British Sky Broadcasting Group Plc v Digital Satellite Warranty Cover Ltd* [2011] EWHC 2662 (Ch), [2012] 14 FSR 407; *Flogas Britain Limited v Calor Gas Limited* [2013] EWHC 3060 (Ch).

¹⁶⁷⁸ Jens Gaster, "Obtinere of Data in the Eyes of the ECJ: How to interpret the Database Directive after *British Horseracing Board Ltd et. Al. v. William Hill Organisation Ltd*" (2005) 5(6) CLR Intl 129; Commission's intention was to protect non-original databases in widest possible sense, First Evaluation of Directive 96/9/EC; It was suggested previously that ECJ (prior to its decision) should interpret 'obtaining' to include both creation and collection of data, Tanya Aplin, *The EU Database Directive: Taking Stock* in Fiona Macmillan (ed) *New directions in Copyright Law: Vol 2* (Edward Elgar, UK 2006)126.

¹⁶⁷⁸ In English, Italian, French, Portuguese, and Spanish, obtaining is derived from the Latin term *obtinere*. It yields the same result to receive. "...if we take the umbrella term creation, in other words the supplying of the database with content, as a basis, both existing and newly created data could be covered". , Opinion of Advocate General Stix-Hackl, on *British Horse Racing Board v. William Hill* (8 June, 2004) available at < <http://curia.europa.eu/jurisp/cgi-bin/form.pl?lang=en> > (accessed 10 November 2008); It is comprehensive term, Gaster (n 822).

¹⁶⁷⁹ Ibid.

¹⁶⁸⁰ It is a term, which includes generation and collecting of data; Opinion of Advocate General Stix-Hackl, on *British Horse Racing Board v. William Hill* (8 June, 2004).

French has the same aforementioned meaning. In fact, the meaning may vary depending on the selected language.¹⁶⁸¹

The interpretation of ECJ in *BHB* decision has been assessed to ascertain the effect of negative jurisprudence that had crept into European Directive after *Feist* decision.

3.1 Investment Barrier Similar to *Dataco* Decision

To merit any claim under Database Right, a database producer should meet the threshold of substantial investment, which is a primary requirement under Article 7.¹⁶⁸² However, ECJ did not question the threshold of investment in this case. It only questioned the type of investment expended towards production of the BHB database.¹⁶⁸³

In the context of type of investment required under Database Right, ECJ demarcated a difference between investment in creating and investment in obtaining.¹⁶⁸⁴ Thus, protection under Article 7 depends on the type of investment. The CJEU in *Football Dataco* decision came to a similar

¹⁶⁸¹ There are existing divergences between various language versions. For example in German language the term 'Beschaffung' used under Article 7(1) "...can only concern existing data, as it can only apply to something, which already exists. In that light *Beschaffung* is the exact opposite of *Erschaffung* (creation)". Similarly there are narrow interpretations if one considers Finnish and Danish version, Opinion of Advocate General Stix-Hackl, on *British Horse Racing Board v. William Hill* (8 June, 2004).

¹⁶⁸² Council Directive 96/9/EC.

¹⁶⁸³ *British Horseracing Board* (n 73) page [3].

¹⁶⁸⁴ *Ibid.*

conclusion, while deciding on database copyright protection. In the context of creativity, CJEU said that the objective of Article 3 is not to protect creativity in data creation.¹⁶⁸⁵ Thus, the protection under the said Article depends on the type of creativity.¹⁶⁸⁶

These two opinions summarily rejected any protection for creation of data, either under the threshold of substantial investment, or under the threshold of AOIC.¹⁶⁸⁷ In other words, Database Directive is primarily meant to provide incentive for database producers actively engaged in storing and processing of existing data.¹⁶⁸⁸ Two decisions in the space of eight years have provided similar scope for Database Right and database copyright protection. This interpretation is counter-productive to the intent of providing incentive to producers who are investing towards production of non-original databases.¹⁶⁸⁹

3.2 Monopoly over Factual Content

The issue of separate substantial investment is important when contents of a particular database are created and obtained simultaneously.¹⁶⁹⁰ In a single source database, a database maker must ensure a separate substantial

¹⁶⁸⁵ *Football Dataco* (n 58) para [53].

¹⁶⁸⁶ *Ibid*; *British Horseracing Board* (n 73) page [3].

¹⁶⁸⁷ *British Horseracing Board* (n 73) and *Football Dataco* (n 58).

¹⁶⁸⁸ Recital 12, Council Directive 96/9/EC.

¹⁶⁸⁹ (COM (92)24 final).

¹⁶⁹⁰ This has been the issue in the *British Horseracing Board* decision; *British Horseracing Board* (n 73) pages [3] and [10].

investment, while obtaining contents for his database.¹⁶⁹¹ According to ECJ, investment directed towards creation of data will not be counted.¹⁶⁹² For example, in the database of BHB, investment was towards the creation of data concerning horse and racing. There was no separate investment at the point of incorporating such data. In a practical situation, when creation and obtaining happens simultaneously, it may be difficult to separate and identify two separate investments.¹⁶⁹³ However, the requirement of separate investment averted possible monopoly situation in relation to single source databases.¹⁶⁹⁴ In the process, ECJ implicitly pointed that Database Right may give rise to monopoly situation in relation to information.¹⁶⁹⁵ The opinion expressed in the first evaluation report indicates that there was no need to further test abuse of dominant position in case of single source databases, especially after the ECJ

¹⁶⁹¹ The decision is a sign of an attempt to balance between “the database producers’ right and access to information”. Further, the decision also restricted the scope of database right, which provides intellectual property protection to one of the controversial subject matter, Estelle Derclaye, “The Court of Justice Interprets the Database Sui Generis Right for the First Time” (2005) 30(3) E L Rev 420,420.

¹⁶⁹² *British Horseracing Board* (n 73) pages [3] and [10].

¹⁶⁹³ Beunen (n 72) page [126]; it is difficult to show separate investments in financial databases, “since data are collected and aggregated at the source (stock exchange)”, Richard Kemp and others “Database Right and the ECJ Judgment in *BHB v. William Hill: Dark Horse or Non-Starter?*” (2005) 21(2) CLSR 108,109; This distinction is difficult to endorse in terms of practical circumstances, Andrew McGee and Gary Scanlan, “The Database Directive--Sui Generis and Copyright--A Practicable Distinction” (2005) July Journal of Business Law 413 , 422.

¹⁶⁹⁴ First Evaluation of Directive 96/9/EC; ECJ’s decision also shows that unfair competition law may not provide complete solution in case of problems with single source database; “the ...decisio[n] offer a partial solution to ... the absence of a regime of compulsory licensing to cure the anti-competitive effects of “sole-source” information monopolies”, Mark J. Davison and P. Bernt Hugenholtz *Infra* (n 1701) page[115]; GM Hunsucker argues that with a compulsory licensing provision in place for single source databases, the European database right can become an international model, GM Hunsucker, ‘The European Database Directive: Regional stepping stone to an International model’(1996-97) 7(2) Fordham Intell. Prop. Media & Ent. L.J. 697, 763.

¹⁶⁹⁵ The possible monopolistic effect of *sui generis* database right has already been under consideration, since Article 16 of the Database Directive has acknowledged such possibility; Recently ECJ in the context of *BHB* dispelled some fear of over protection, Anna Koo(n 313) page[313].

decision in *BHB* case.¹⁶⁹⁶ Thus, the scope of *sui generis* Database Right has been severely curtailed.¹⁶⁹⁷

It is interesting to note that all of the cases which were referred to ECJ, especially in the context of investing in creating and obtaining, were single source databases.¹⁶⁹⁸ At around the same time when ECJ came up with the *BHB* decision, almost 50% of law suits have been brought forth by companies who are not engaged in collecting data from the outside world.¹⁶⁹⁹ There is relatively less monopoly concern when there are multiple sources in the same situation.¹⁷⁰⁰

With regard to interpretation of ECJ, providing a difference between investments in creation and obtaining of data may not completely remove monopolistic situation in case of a single source database.¹⁷⁰¹ As explained by Beunen database producer may entrust a subsidiary, or an agent, or a third

¹⁶⁹⁶ First Evaluation of Directive 96/9/EC.

¹⁶⁹⁷ *Ibid.*

¹⁶⁹⁸ *Oy Veikkaus* (n 193), *Svenska Spel* (n 193), *Organismos* (n 30), *British Horseracing Board Limited* (n 73).

¹⁶⁹⁹ Jorg Hladjk, 'The protection of databases under EU and US law – the *sui generis* right as an appropriate concept? Part-II' (2004) 20(5) CLSR 377,380.

¹⁷⁰⁰ Multiple source databases may not be that problematic, Estelle Derclaye, (n 72) page [148]; However, creating a database is an expensive process and already creates a barrier, Reichman and Samuelson (n 72) page [83].

¹⁷⁰¹ Owing to the difference in creating and obtaining the single source database producer may be tempted to deny access to data by using technical means. ECJ's decision is a not a foolproof solution and the producers must have access under non-discriminatory and fair grounds in case of impediments because of the technical measures, Mark J. Davison and P. Bernt Hugenholtz, 'Football Fixtures, Horseraces and Spin Offs: The ECJ Domesticates the Database Right' (2005) 27(3) EIPR 11; In the opinion of Simon Stokes, persons producing or commissioning databases must document the investment made at the stage of creating and obtaining. There must be documentation, while updating for the purpose of renewal, Simon Stokes, *Digital Copyright: Law and Practice* (3rd edn. Hart Publishing 2009) 69.

party to generate or create data because of the requirement of showing separate investment. Later on, a database producer may obtain data for the purpose of Database Right. The cost acquired in this transaction will amount to substantial investment.¹⁷⁰² Since the threshold of substantial investment is understandably less stringent, the cost of acquiring should suffice requirement of Database Right.¹⁷⁰³ Moreover, possibility of bypassing the ECJ judgement has already surfaced. The Advocate General in the *Football Dataco* case has said that protection under Article 3 may not be used to bypass the decision of ECJ in *BHB*.¹⁷⁰⁴ Other than the aforementioned suggested methods, single source databases may be able to fulfill the requirement of substantial investment by showing investment in verification or presentation of the contents.¹⁷⁰⁵ However, the database producer must be able to show separate investment in case of verifying or presentation.¹⁷⁰⁶

This requirement of separate 'creativity', which is equivalent to substantial investment, has been previously observed in *Football Dataco* case.¹⁷⁰⁷ The US Supreme Court took the approach of discarding 'sweat of the brow' as a basis

¹⁷⁰² Beunen (n 72) pages[127]-[128].

¹⁷⁰³ *Supra* section 2.1.

¹⁷⁰⁴ Case-604/10 *Football Dataco Ltd v Yahoo! UK Ltd* [2012] ECDR 7, Opinion of AG Mengozzi, para [121].

¹⁷⁰⁵ *British Horseracing Board* (n 73) page 10.

¹⁷⁰⁶ *Ibid*.

¹⁷⁰⁷ *Football Dataco* (n 58).

for copyright protection to prevent similar monopoly situations with factual information.¹⁷⁰⁸

3.3. Database Right Extra Layer of Protection

The interpretation of ECJ in BHB decision questions the idea of creating incentive without knowledge of the exact requirement.¹⁷⁰⁹ It also questioned the argument of Database Right citing *Feist* as an example.¹⁷¹⁰ ECJ prevented formation of a monopoly situation in relation to single sources databases.¹⁷¹¹ The annual reviews of BHB give interesting insight in the context of granting incentive without knowing the actual requirement.

The scenario with BHB is clear from press releases and annual reviews published over three years.¹⁷¹² Immediately after the decision, they considered cutting down on spending but the process of re-designing and re-fitting a database within the criterion set up by ECJ was a relatively easy task to follow. However, the issue of legal cost incurred by BHB came in the way of proceeding further.¹⁷¹³ This shows that there are ways to bypass the decision of

¹⁷⁰⁸ The protection offered under copyright is essentially thin, *Feist Publications* (n 4) page [349].

¹⁷⁰⁹ The complexities those are associated with the database right, First Evaluation of Directive 96/9/EC.

¹⁷¹⁰ The argument posed in the first draft proposal, (COM (92) 24 final), para [2.3.3].

¹⁷¹¹ A single source database has the potential to grant a database maker legal and economic monopoly. The user in case of a single source database must abide by the rules and conditions set up by the database maker. Unlike copyright monopolies given to expression, *sui generis* database right, in case of single source databases gives monopoly on information, Derclaye (n 72) page [179].

¹⁷¹² They will be for the year 2004, 2005 and 2006.

¹⁷¹³ 'Prudent Expenditure Reductions Agreed by BHB' (*British Horseracing Authority*, 9 December 2004) available at <<http://www.britishhorseracing.com/resources/about/press/view.asp?item=002314>> (accessed 14 April 2011).

ECJ. Single source database makers in future may still have option to follow the protection offered under Database Right.¹⁷¹⁴ The threat of monopolizing information in relation to a single-sourced database continues.¹⁷¹⁵ Even with the ECJ decision in place, there is no easy way to improve such situation other than reviving the compulsory licensing provision.¹⁷¹⁶

One has to remember that BHB depended on commercial funding mechanism in the form of licensing fees from the bookmakers, since they proposed to move away from the levy structure.¹⁷¹⁷ After the decision of ECJ, there was imminent problem with the future of licensing fees, and such concern was clearly visible.¹⁷¹⁸ All these meant less incentive because there was uncertainty with funding further databases. In a contrasting situation, the Annual Review of 2005 states that there was extraordinary success in the midst of these apparent

¹⁷¹⁴ Beunen (n 72) pages [127]-[128].

¹⁷¹⁵ Ibid.

¹⁷¹⁶ *Supra* (n 244).

¹⁷¹⁷ 'BHB Annual Review - Presentation by Chief Executive Greg Nichols' (*British Horseracing*, 9 June 2005) available at <<http://www.britishhorseracing.com/resources/about/press/view.asp?item=002876>> accessed 14 April 2011; The current levy structure from the bookmaker works out a rate of 10.75%, 'Horseracing levy increased to 10.77 %' (*BBC News*, 16th February 2011) available at <<http://www.bbc.co.uk/news/business-12486813>> (accessed 14 April 2011).

¹⁷¹⁸ 'BHB Annual Review – Presentation by Chairman Martin Broughton' (*British Horseracing*, 9 June 2005) available at <<http://www.britishhorseracing.com/resources/about/press/view.asp?item=002877>> (accessed 14 April 2011), The funding review was set up to look for alternative means of funding in the event Court of Appeals in England upheld ECJ's decision. In fact, the Court of Appeals following the guideline set up by ECJ did find the matter against BHB's favour. This funding review was set up in accordance with the phasing out of the levy system in 2009. The report considered two principal options - one based on picture rights and the other on having a pre-conditioned betting license. The report concluded by saying that there is no viable alternative to statutory levy system, Martin Broughton, 'Governance Structure for British Racing- Letter to the Racing Industry' (*British Horseracing Board*, 19 May 2006) available at <<http://www.britishhorseracing.com/resources/about/press/view.asp?item=002877>> (accessed 14 April 2011); In fact, the levy system still exists in the present day.

negative effects.¹⁷¹⁹ Moreover, BHB went on to publish fixture list in 2006, which also required substantial investment.¹⁷²⁰ Surely, BHB would not have invested in future databases if they were not sure to recoup their investment.¹⁷²¹ One may possibly think that merger of BHB with British Horse Racing Authority in 2007 was a result of financial difficulties accruing from the decision of ECJ. However, this decision of merger was prior to ECJ decision in 2004.¹⁷²²

BHB did not stop database production, and it is questionable whether they needed the incentive of Database Right to continue investing.¹⁷²³ Although it is understandable that BHB wanted to follow commercial licensing of pre-race data, without economic evidence it is difficult to predict the amount of incentive required to initiate such process.¹⁷²⁴ Giving such incentive in vacuum may

¹⁷¹⁹ Ibid.

¹⁷²⁰ Ibid.

¹⁷²¹ "The prosperity continued with British Horse Racing in 2005....despite the uncertainty caused by unforeseen legal setbacks", 'Berkshire racing industry backs changes to levy' (*BBC News*, 22 July 2011) available at < <http://www.bbc.co.uk/news/uk-england-berkshire-14236144>> accessed 1 August 2011.

¹⁷²² Martin Broughton, 'Governance Structure for British Racing- Letter to the Racing Industry' (*British Horseracing Board*, 19 May 2006) available at < <http://www.britishhorseracing.com/resources/about/press/view.asp?item=002877>> (accessed 14 April 2011).

¹⁷²³ There are visible alternatives of funding available for databases comprising of information on racing and pre-race information. The levy system exists and currently it is at the rate of 10.75%. There are discussions in the government to change such system to improve British racing industry. On an overall note, there are incentives available for further publications, Roger Blitz, 'Move to clear horserace funding hurdle' available at < <http://www.ft.com/cms/s/0/7967e164-773e-11e0-aed6-00144feabdc0.html#axzz1Unn2vGHA>> May 5, 2011 (accessed 10 June 2011); In the recent years there have been reduction in the racing prize money, but it has nothing to do with incentive. There has been a shift from betting in racing to football and to some extent such fall could be attributed to online betting, 'Berkshire racing industry backs changes to levy' (*BBC News*, 22 July 2011) available at < <http://www.bbc.co.uk/news/uk-england-berkshire-14236144>> (accessed 1 August 2011).

¹⁷²⁴ Bitton (n 113) page [1426].

result in harm instead of providing additional incentives to a producer.¹⁷²⁵ Previously, annual reports of publishing companies in US showed that database producers invest based on the knowledge that there is adequate opportunity to recover their investment.¹⁷²⁶ All of the above shows Database Right as an extra layer of protection.¹⁷²⁷

The aforementioned sections show that there was a shift in the scope of Database Right from the initial proposal. There is certain imbalance in the current structure, which is harmful for disseminating information.¹⁷²⁸ This imbalance is an example of the negative impact that *Feist* had on the Database Right and its structure. Although the argument of a Database Right after harmonization of copyright protection is logical, such an argument must be seriously re-considered in the background of the current structure.¹⁷²⁹ Database right has proved to be ineffective in incentivizing database production and further implementation of such right must be questioned in the present circumstances.¹⁷³⁰

¹⁷²⁵ The issues that were considered in the First Evaluation of Directive 96/9/EC.

¹⁷²⁶ *Supra* chapter I, section 4.3.1.

¹⁷²⁷ It was considered whether database right should be repealed First Evaluation Report of Directive 96/9/EC.

¹⁷²⁸ *Supra* (n 1343).

¹⁷²⁹ First Evaluation Report of Directive 96/9/EC para [1.1].

¹⁷³⁰ *Ibid* para [5.3].

CONCLUSION

The road to European Database Directive has been difficult and fraught with uncertainty.¹⁷³¹ It was difficult to estimate the issue of incentive.¹⁷³² Absence of other parallel examples thoroughly challenged the enactment of Database Right.¹⁷³³ The role of *Feist* in this context has been crucial, and as one has observed, the transatlantic influence has not been wholly negative.¹⁷³⁴ The upcoming challenges are mostly in relation to the effective application of Database Right.¹⁷³⁵ Although CJEU, to some extent, has been successful in curbing the question of monopoly over factual information, there are stiff challenges ahead.¹⁷³⁶ It would not be difficult for database producers to bypass obstacles posed by the ECJ decision in *BHB*.¹⁷³⁷ In fact, such possibility has been noted by the Advocate General in *Football Dataco* case.¹⁷³⁸ According to him, Article 3 cannot become an alternative route for producers to overcome challenges as a result of the ECJ interpretation of Article 7 in *BHB*.¹⁷³⁹ However, the Database Right needs immediate attention so that monopolistic nature of Database Right may be addressed.¹⁷⁴⁰

¹⁷³¹ First Evaluation of Directive 96/9/EC.

¹⁷³² *Supra* chapter VI, sections [2]-[3].

¹⁷³³ *Supra* chapter III, section 3.

¹⁷³⁴ *Supra* chapter V, section 3.

¹⁷³⁵ *Supra* chapter VI.

¹⁷³⁶ *British Horseracing Board Limited* (n 73).

¹⁷³⁷ *Beunen* (n 72) pages [127]-[128].

¹⁷³⁸ *Case-604/10 Football Dataco Ltd v Yahoo! UK Ltd* [2012] ECDR. 7, Opinion of AG Mengozzi, para [20].

¹⁷³⁹ *Ibid*.

¹⁷⁴⁰ *Supra* chapter VI.

1. The Necessary Amendment in Accordance With First Draft Proposal

In the context of Article 7, the Database Directive left certain important terms undefined.¹⁷⁴¹ For the past 17 years since the enactment, there have been various decisions at the European level that have reduced uncertainty and ambiguities to an extent.¹⁷⁴² The ECJ interpretation of the right has given explanations of terms like 'database', 'obtaining', 'verifying', 'presenting', 'extraction' and 're-utilizations'.¹⁷⁴³ 'Substantial investment' has been defined by courts in the member States.¹⁷⁴⁴ Based on all these decisions, one can estimate the scope associated with such investment. Considerable doubt still remains with the term of protection.¹⁷⁴⁵ Further, there are fewer exceptions to a broad right offered under Article 7.¹⁷⁴⁶ So far, there have been no amendments in the Database Directive. Although these issues are to be resolved in the immediate future, the biggest issue is to face the challenge posed as a result of possible monopoly situation over factual data.¹⁷⁴⁷ This is by far the most important issue that must be resolved, and resulted as a reason of protecting facts. If Article 3 follows the path to avoid monopoly, the Directive brings back

¹⁷⁴¹ Council Directive 96/9/EC.

¹⁷⁴² For instance, the British Horseracing Board case, *British Horseracing Board Limited* (n 73).

¹⁷⁴³ The most recent (19 December, 2013) being the CJEU interpretation of re-utilization in the context of meta search engine in *Innoweb BV v. Wegner ICT Media BV & others* (C-202/12) Unreported December 19, 2013 (ECJ (5th Chamber)) available at <<http://curia.europa.eu/juris/document/document.jsf?text=&docid=145914&pageIndex=0&doclang=EN&mode=req&dir=&occ=first&part=1&cid=557513>> (accessed 4 January 2014).

¹⁷⁴⁴ *Supra* chapter VI, section 2.1.

¹⁷⁴⁵ *Supra* chapter VI, section 2.3.

¹⁷⁴⁶ *Ibid*, section 2.2.

¹⁷⁴⁷ *Ibid*, section 3.

the issue through Article 7.¹⁷⁴⁸ This inherent tension within the Directive must be resolved with immediate effect.

Going by the numbers, the first evaluation suggested three possibilities.¹⁷⁴⁹ While first two options are not desirable, the third option is much more viable. We will consider all the options before coming up with a suitable choice. The first proposal relates to the possibility of repealing Database Right, the second option is maintaining *status quo* and the third option is amending the current structure of the right.¹⁷⁵⁰

The report proposed to repeal Database Right from the Directive.¹⁷⁵¹ On a practical note, it will be difficult to execute such proposition. One must refer to the view expressed in the report itself. It considered the amount of resistance such action would face from European publishers.¹⁷⁵² There may be additional legal uncertainty to roll back to the time when there was no Database Right in Europe. The implications would be felt mostly in Common Law jurisdictions.¹⁷⁵³ Based on high number of cases that have already been decided, the proposition of rolling back may increase uncertainty, instead of solving concerns associated with Database Right.¹⁷⁵⁴ These observations indicate that it is difficult to reach a consensus to remove a piece of legislation.¹⁷⁵⁵

¹⁷⁴⁸ *Football Dataco* (n 58).

¹⁷⁴⁹ First Evaluation of Directive 96/9/EC, para [6].

¹⁷⁵⁰ *Ibid.*

¹⁷⁵¹ *Ibid.*, para [6.1].

¹⁷⁵² *Ibid.*, para [1.5].

¹⁷⁵³ *Ibid.*, para [6.1].

¹⁷⁵⁴ *Supra* chapter VI, section 3.

¹⁷⁵⁵ First Evaluation of Directive 96/9/EC, para [6].

Therefore, repealing part of Database Right from the Directive is not an ideal option.

As to the second option of *status quo*, evaluation report suggested that the Directive might be left untouched. In future, Database Right is unlikely to create any additional burden in the context of dissemination and access to information.¹⁷⁵⁶ This argument was primarily based on the *BHB* decision. It was believed that ECJ ruling in this case successfully removed possible monopoly situation in relation to single source databases.¹⁷⁵⁷ Despite this contention, the concern with monopolization of factual information still remains in the context of single source databases.¹⁷⁵⁸ Hence, the option of *status quo* is not advisable, since there are legitimate concerns associated with such right.

Although the remaining viable alternative is amending the Directive, one has to answer two questions: what kinds of amendments are required; and whether these amendments would be able to resolve problems associated with Database Right. There have been different suggestions in the context of

¹⁷⁵⁶ This suggestion primarily considered the decision of the ECJ in *British Horse Racing v William Hill* decision, and according to the report the ECJ, via the decision, has successfully polished, section 1.5, *ibid*.

¹⁷⁵⁷ In fact, owing to the removal of compulsory licensing provisions for single source databases, under Article 16 of the Directive, periodical evaluation has been made a requirement to oversee any possible anti-competitive effect enshrined in the database right. Although the report did not refer to any independent study about the anti-competitive effect, there was reference to the decision of the ECJ concerning the protection of single source databases under the database right.

¹⁷⁵⁸ *Supra* chapter VI, section 3; Beunen (n 72) pages [127]-[128].

possible structure, which should have been associated with Database Right.¹⁷⁵⁹ Mark J Davison observed that narrower protection should be given based on weak economic argument, and proposed for an unfair competition model.¹⁷⁶⁰ Derclaye opined that Database Right should be crafted in a way to exclude the over-protective elements.¹⁷⁶¹ On a different note, Elizabeth Herr noted that some protection is required but based on evidence the structure must be decided.¹⁷⁶² In his doctoral dissertation, Victor Bouganin proposed for a narrower right with compulsory licensing provision and more exceptions.¹⁷⁶³ Similarly, Annemarie Beunen proposed for a narrower right with the inclusion of compulsory licensing provision.¹⁷⁶⁴ Although this thesis is not a critique of Database Right unlike the aforementioned works, there is an onus to make suggestions to combat negative impact that the interpretation of *Feist* jurisprudence had on the structure of Database Right. Any such suggestion of improving the structure of the right, however, without evidence would be speculative in nature.¹⁷⁶⁵ The need for empirical evidence already exists in the background of criticism surrounding the Database Right.¹⁷⁶⁶ It would have been

¹⁷⁵⁹ Work particularly concentrated on *sui generis* database right has seen three aspects; Narrower right with the inclusion of compulsory licensing provision for sole source databases, Beunen (n 72).

¹⁷⁶⁰ Davison (n 72).

¹⁷⁶¹ Derclaye (n 72).

¹⁷⁶² Herr (n 147).

¹⁷⁶³ Victor Bouganin, 'The legal protection of databases, from copyright to dataright' (PhD thesis, University of London 1999).

¹⁷⁶⁴ Beunen (n 72).

¹⁷⁶⁵ "It may be regretted that such a strong exclusive right could be introduced on the mere basis of an assumed need", Beunen (n 72) page [279].

¹⁷⁶⁶ The author concludes by saying that theoretical and empirical economic studies on the effects of the database right are highly desirable. Derclaye (n 115) page [298].

much easier to estimate the right at the beginning based on requirement, instead of adjusting the structure of such right subsequent to the enactment.¹⁷⁶⁷

The argument that Database Right is required is necessarily weak in the absence of substantial evidence suggesting to the contrary.¹⁷⁶⁸ This argument finds support in the draft proposal to the Database Directive. In the absence of a comprehensive study on the requirement of Database Right for European database producers, the draft proposal suggested a narrow set of protection.¹⁷⁶⁹ It included not only the compulsory licensing provision for single source databases but also carved out a number of exceptions.¹⁷⁷⁰ One can conclude that limited protection provided to database producers commensurate to limited evidence. In fact, the changes that took place to the structure of the Database Right do not have any explanations.¹⁷⁷¹ The amendments must therefore be in accordance with the protection measure conceived under the first draft proposal.¹⁷⁷² This argument also finds support from the negligible impact that *Feist* had on producers. The example of how producers acted in US would suggest limited or little requirement of a Database Right.¹⁷⁷³ Unless evidence suggests that there is any requirement further to the limited protection

¹⁷⁶⁷ 'The preferable way' would have been to improve 'legal and factual analysis' before taking up 'far reaching measures' by way of introducing the database right, Annette Kur and others, 'First evaluation of Directive 96/9/EC on the legal protection of databases- comment by the Max Planck Institute for Intellectual Property, Competition and Tax Law, Munich' (2006) 37(5) IIC 551,551.

¹⁷⁶⁸ First Evaluation of Directive 96/9/EC, section [5.3]

¹⁷⁶⁹ (COM (92) 24 final).

¹⁷⁷⁰ This trend is also observed in the Green Paper; "The Commission is accordingly considering whether to propose the introduction of measures to give some limited protection to the database itself, as a compilation " (COM (88) 172 final), para [6.4.7].

¹⁷⁷¹ Bitton (n 113) page [1432].

¹⁷⁷² In a different context, structure under Article 3 remained the same from the first proposal to the final Directive.

¹⁷⁷³ *Supra* chapter III, section 3.

suggested under the first proposal, there should not be any changes made to the structure of Database Right.

2.0 Transatlantic Influence of *Feist*: The Challenges Ahead

Although we see the negative impact of *Feist* jurisprudence through the emergence of Database Right, the decision played a major role in a phase where there was no immediate jurisprudence available.¹⁷⁷⁴ One might wonder as to what would have happened without the decision of *Feist*. As a first reaction, the explanatory memorandum to the first draft would not have contemplated about the apprehended ‘new-line’ of jurisprudence that *Feist* had developed, nor would it have questioned the role of ‘sweat of the brow’ argument for copyright protection.¹⁷⁷⁵ Further, the argument that more incentive is required in the form of a Database Right for producers would not have garnered any support.¹⁷⁷⁶ The argument that copyright protection for databases in Europe must be harmonized did not originate from the *Feist* decision.¹⁷⁷⁷ Without the *Feist* decision, the Commission would only have the Berne standard for compilations to follow to decide the scope of Article 3.¹⁷⁷⁸ It is also clear that while the Commission wanted to remain within the broad structure of the Berne Convention, there was no intention to remain within the scope of the

¹⁷⁷⁴ (COM (92) 24 final), para [2.3.3].

¹⁷⁷⁵ Ibid.

¹⁷⁷⁶ Bittion (n 113) page [1426].

¹⁷⁷⁷ (COM (92) 24 final), section 1.

¹⁷⁷⁸ Ibid, para [2.2.4].

same.¹⁷⁷⁹ According to the Commission, it was not certain as to whether the protection envisaged under the Berne Convention would cover electronic databases.¹⁷⁸⁰ Therefore, without *Feist*, there would not have been any standard available, and it would have been difficult to predict the shape and structure of the Database Directive.

One might want to ask whether we would have been better off without a *Feist* decision in place. Without *Feist*, it would have been difficult to formulate the current structure. It is admitted that there are difficulties associated with the current structure, especially the Database Right.¹⁷⁸¹ Without *Feist*, however, there could be far greater problems. There was no definite indication to suggest either the structure under Article 3 or 7.¹⁷⁸² At the time of incorporating of the *Feist* jurisprudence, there were problems associated with only Article 7.¹⁷⁸³ Thus, in relative terms, we are better off with the decision in place. The problems associated with Article 7 are not related to the negative impact of *Feist*, but to the incorrect interpretation of the decision.¹⁷⁸⁴ Transatlantic influence of *Feist* did provide a balance in the Directive, which otherwise was missing in the Database Directive.

¹⁷⁷⁹ Ibid, paras [5.1.3] and [6.1.3].

¹⁷⁸⁰ Ibid, para [2.2.8].

¹⁷⁸¹ *Supra* chapter VI, sections 2 and 3.

¹⁷⁸² Bitton (n 113) page [1426].

¹⁷⁸³ (COM (92) 24 final), section 1.

¹⁷⁸⁴ The fact that *Feist* would have negative impact on the production of databases, *Supra* (COM (92) 24 final), para [2.3.3].

There is a challenge, however, to know the effect of foreign jurisprudence. For instance, in hindsight, effect of *Feist* in US is negligible, especially in relation to production of factual databases.¹⁷⁸⁵ Working on mere apprehension may end up in over compensating stakeholders, since there is little idea about the portions that are to be incorporated from foreign jurisdictions.¹⁷⁸⁶ Without substantial evidence of how the market may react subsequent to such incorporation, there is too much uncertainty to begin with.¹⁷⁸⁷ For instance, on one hand Article 3 talks about freeing up factual information, and in the same Directive, Article 7 talks about protecting the same factual information.¹⁷⁸⁸ Although these are two separate rights under two different chapters, there are strong indications to suggest that Database Right promotes monopoly.¹⁷⁸⁹ Although Article 7 has received much attention, the interpretation of CJEU suggests that even Article 3 may give rise to complications.¹⁷⁹⁰ The effects of negative interpretation of *Feist* largely remain unaffected because of the timely intervention of the Court of European Justice.¹⁷⁹¹ It shows there was lot of uncertainty created after the transatlantic influence.

¹⁷⁸⁵ *Supra* chapter III, sections 2 and 3.

¹⁷⁸⁶ The issue of over-protection and under-protection, Derclaye (n 72).

¹⁷⁸⁷ Bitton (n 113) page [1426].

¹⁷⁸⁸ Article 7 to compensate those database producers for whom protection was previously available before copyright protection was harmonized in Europe, First Evaluation of Directive 96/9/EC, para [1.1].

¹⁷⁸⁹ The decision of ECJ in the *British Horse Racing* case is an instance.

¹⁷⁹⁰ The interpretation in the *Football Dataco* case.

¹⁷⁹¹ *Football Dataco* (n 58) and *British Horseracing Board* (n 73).

Therefore, the positive effect of *Feist*, particularly in relation to dissemination of information was only after the judgements of European Courts. The challenge remains to incorporate principles from a foreign jurisdiction.

3.0 Experiences in Other Legal Areas

The act of incorporating foreign legislation or jurisprudence in Europe was not limited to the *Feist* decision. We saw similar borrowing in case of Directive 87/54/EEC on semi-conductor layout topographies.¹⁷⁹² US used a reciprocity provision when they enacted semi-conductor layout *sui generis* right.¹⁷⁹³ This provision was similar to the reciprocity clause in the Database Directive.¹⁷⁹⁴ Believing that it was necessary to protect semi-conductors produced in Europe, EU adopted the Directive 87/54/EEC on semi-conductor layout topographies. There is thus a history that exists between Europe and US when it comes to inserting reciprocity clauses in their respective domestic legislations.

Such clause however, did not result in the domination of a particular sector. In the opinion of David Nimmer, the effect of semi-conductor chip protection Act of 1984 is hardly present in US. “In terms of actual impact on actors in the

¹⁷⁹² Council Directive of 87/54/EC of 16 December 1986 on the legal protection of topographies of semiconductor products [1986] OJ L24/36.

¹⁷⁹³ Sections 902a and 914 of the Semiconductor Chip Protection Act, 1984, ‘US Semiconductor Chip Protection Act, 1984’ available at <<http://www.copyright.gov/title17/92chap9.html>> accessed 29 October 2011; Richard H. Stern, “The Semiconductor Chip Protection Act of 1984: The International Comity of Industrial Property Rights” (1986) 3 Int’l Tax & Bus Law 273.

¹⁷⁹⁴ Council Directive 96/9/EC.

marketplace, its impact accordingly appears to be nil".¹⁷⁹⁵ It is interesting to note that like Database Directive, US Congress believed that world-wide competition in semi-conductor chips will be the defining future of the modern world.¹⁷⁹⁶ Similar to *Feist* decision, the mere presence of reciprocity clause in the semi-conductor legislation led to believe that there is a requirement in Europe.¹⁷⁹⁷ The proposal aimed at obtaining protection of community topographies in US and provided for securing the reciprocity between United States and Europe. It was believed that without the Directive, the future of community semi-conductor products in US will be jeopardized.¹⁷⁹⁸ The negligible effect of the same legislation in US suggests that mere incentive is not sufficient to increase production.

There seems to be a competitive concern in Europe that led to the transatlantic influence.¹⁷⁹⁹ This is true in case of aforementioned legislation and it is also true while incorporating the decision of *Feist*. If one observes the explanatory memorandum, competitive rivalry between the US and the European database market is visible.¹⁸⁰⁰ Although there were no explicit evidences suggesting that Database Right was an immediate requirement for producers interested in

¹⁷⁹⁵ David Nimmer, *Copyright Illuminated: refocusing the diffuse US Statute* (2008 Kluwer Law International) 100-101.

¹⁷⁹⁶ *Ibid*.

¹⁷⁹⁷ Opinion of the Economic and Social Committee of 23 April 1986 on the legal protection of original topographies of semiconductor products [1986] (OJC 189/04).

¹⁷⁹⁸ Commission, 'Proposal for a Council Directive on the legal protection of original topographies of semiconductor products' (COM (85) 775 final); Opinion on the legal protection of original topographies of semiconductor products (86/C 189/04).

¹⁷⁹⁹ (COM (92) 24 final), sections 1 and 2.

¹⁸⁰⁰ *Ibid*; First Evaluation of Directive 96/9/EC, para [2.4].

investing towards non-original databases, it is clear that competitive reason played a crucial role in the enactment of Database Right. At the time, US led the database market, while Europe was lagging behind due to reasons extending from infrastructure to technical challenges.¹⁸⁰¹ This comparison is also visible in the first evaluation report of the Database Directive. The report analyzed the performance of the Database Right based on numbers that were compared against the production rate of US database market.¹⁸⁰² The decision to insert a reciprocity clause in a Database Directive was primarily a consequence to a decision taken in US in the context of semi-conductor legislation.¹⁸⁰³

Thus, the decision to proceed with *Feist* in the background has given mixed results in Europe though impact of the decision in US has been negligible. Further, the influence of jurisprudence resulting out of the *Feist* has affected the Directive.

¹⁸⁰¹ Ibid.

¹⁸⁰² Ibid, para [4.4].

¹⁸⁰³ McManis (n 100) pages [34]-[35]; D. Mirchin 'The European Union Database Directive Sets the World-wide Agenda' (1997) 17(4) Information Services & Use 247; Kyer and Moutsatsos (n 876).

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DIRECTIVE 96/9/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 11 March 1996

on the legal protection of databases

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 57 (2), 66 and 100a thereof,

Having regard to the proposal from the Commission (1),

Having regard to the opinion of the Economic and Social Committee (2),

Acting in accordance with the procedure laid down in Article 189b of the Treaty (3),

(1) Whereas databases are at present not sufficiently protected in all Member States by existing legislation; whereas such protection, where it exists, has different attributes;

(2) Whereas such differences in the legal protection of databases offered by the legislation of the Member States have direct negative effects on the functioning of the internal market as regards databases and in particular on the freedom of natural and legal persons to provide on-line database goods and services on the basis of harmonized legal arrangements throughout the Community; whereas such differences could well become more pronounced as Member States introduce new legislation in this field, which is now taking on an increasingly international dimension;

(3) Whereas existing differences distorting the functioning of the internal market need to be removed and new ones prevented from arising, while differences not adversely affecting the functioning of the internal market or the development of an information market within the Community need not be removed or prevented from arising;

(4) Whereas copyright protection for databases exists in varying forms in the Member States according to

legislation or case-law, and whereas, if differences in legislation in the scope and conditions of protection remain between the Member States, such unharmonized intellectual property rights can have the effect of preventing the free movement of goods or services within the Community;

(5) Whereas copyright remains an appropriate form of exclusive right for authors who have created databases;

(6) Whereas, nevertheless, in the absence of a harmonized system of unfair-competition legislation or of case-law, other measures are required in addition to prevent the unauthorized extraction and/or re-utilization of the contents of a database;

(7) Whereas the making of databases requires the investment of considerable human, technical and financial resources while such databases can be copied or accessed at a fraction of the cost needed to design them independently;

(8) Whereas the unauthorized extraction and/or re-utilization of the contents of a database constitute acts which can have serious economic and technical consequences;

(9) Whereas databases are a vital tool in the development of an information market within the Community; whereas this tool will also be of use in many other fields;

(10) Whereas the exponential growth, in the Community and worldwide, in the amount of information generated and processed annually in all sectors of commerce and industry calls for investment in all the Member States in advanced information processing systems;

(11) Whereas there is at present a very great imbalance in the level of investment in the database sector both as between the Member States and between the Community and the world's largest database-producing third countries;

(12) Whereas such an investment in modern information storage and processing systems will not take place within the Community unless a stable and uniform legal protection regime is introduced for the protection of the rights of makers of databases;

(1) OJ No C 156, 23. 6. 1992, p. 4 and

OJ No C 308, 15. 11. 1993, p. 1.

(2) OJ No C 19, 25. 1. 1993, p. 3.

(3) Opinion of the European Parliament of 23 June 1993 (OJ No C 194, 19. 7. 1993, p. 144), Common Position of the Council of 10 July 1995 (OJ No C 288, 30. 10. 1995, p. 14), Decision of the European Parliament of 14 December 1995 (OJ No C 17, 22. 1. 1996) and Council Decision of 26 February 1996.

- (13) Whereas this Directive protects collections, sometimes called 'compilations', of works, data or other materials which are arranged, stored and accessed by means which include electronic, electromagnetic or electro-optical processes or analogous processes;
- (14) Whereas protection under this Directive should be extended to cover non-electronic databases;
- (15) Whereas the criteria used to determine whether a database should be protected by copyright should be defined to the fact that the selection or the arrangement of the contents of the database is the author's own intellectual creation; whereas such protection should cover the structure of the database;
- (16) Whereas no criterion other than originality in the sense of the author's intellectual creation should be applied to determine the eligibility of the database for copyright protection, and in particular no aesthetic or qualitative criteria should be applied;
- (17) Whereas the term 'database' should be understood to include literary, artistic, musical or other collections of works or collections of other material such as texts, sound, images, numbers, facts, and data; whereas it should cover collections of independent works, data or other materials which are systematically or methodically arranged and can be individually accessed; whereas this means that a recording or an audiovisual, cinematographic, literary or musical work as such does not fall within the scope of this Directive;
- (18) Whereas this Directive is without prejudice to the freedom of authors to decide whether, or in what manner, they will allow their works to be included in a database, in particular whether or not the authorization given is exclusive; whereas the protection of databases by the *sui generis* right is without prejudice to existing rights over their contents, and whereas in particular where an author or the holder of a related right permits some of his works or subject matter to be included in a database pursuant to a non-exclusive agreement, a third party may make use of those works or subject matter subject to the required consent of the author or of the holder of the related right without the *sui generis* right of the maker of the database being invoked to prevent him doing so, on condition that those works or subject matter are neither extracted from the database nor re-utilized on the basis thereof;
- (19) Whereas, as a rule, the compilation of several recordings of musical performances on a CD does not come within the scope of this Directive, both because, as a compilation, it does not meet the conditions for copyright protection and because it does not represent a substantial enough investment to be eligible under the *sui generis* right;
- (20) Whereas protection under this Directive may also apply to the materials necessary for the operation or consultation of certain databases such as thesaurus and indexation systems;
- (21) Whereas the protection provided for in this Directive relates to databases in which works, data or other materials have been arranged systematically or methodically; whereas it is not necessary for those materials to have been physically stored in an organized manner;
- (22) Whereas electronic databases within the meaning of this Directive may also include devices such as CD-ROM and CD-i;
- (23) Whereas the term 'database' should not be taken to extend to computer programs used in the making or operation of a database, which are protected by Council Directive 91/250/EEC of 14 May 1991 on the legal protection of computer programs⁽¹⁾;
- (24) Whereas the rental and lending of databases in the field of copyright and related rights are governed exclusively by Council Directive 92/100/EEC of 19 November 1992 on rental right and lending right and on certain rights related to copyright in the field of intellectual property⁽²⁾;
- (25) Whereas the term of copyright is already governed by Council Directive 93/98/EEC of 29 October 1993 harmonizing the term of protection of copyright and certain related rights⁽³⁾;
- (26) Whereas works protected by copyright and subject matter protected by related rights, which are incorporated into a database, remain nevertheless protected by the respective exclusive rights and may not be incorporated into, or extracted from, the database without the permission of the right-holder or his successors in title;
- (27) Whereas copyright in such works and related rights in subject matter thus incorporated into a database

⁽¹⁾ OJ No L 122, 17. 5. 1991, p. 42. Directive as last amended by Directive 93/98/EEC (OJ No L 290, 24. 11. 1993, p. 9.)

⁽²⁾ OJ No L 346, 27. 11. 1992, p. 61.

⁽³⁾ OJ No L 290, 24. 11. 1993, p. 9.

- are in no way affected by the existence of a separate right in the selection or arrangement of these works and subject matter in a database;
- (28) Whereas the moral rights of the natural person who created the database belong to the author and should be exercised according to the legislation of the Member States and the provisions of the Berne Convention for the Protection of Literary and Artistic Works; whereas such moral rights remain outside the scope of this Directive;
- (29) Whereas the arrangements applicable to databases created by employees are left to the discretion of the Member States; whereas, therefore nothing in this Directive prevents Member States from stipulating in their legislation that where a database is created by an employee in the execution of his duties or following the instructions given by his employer, the employer exclusively shall be entitled to exercise all economic rights in the database so created, unless otherwise provided by contract;
- (30) Whereas the author's exclusive rights should include the right to determine the way in which his work is exploited and by whom, and in particular to control the distribution of his work to unauthorized persons;
- (31) Whereas the copyright protection of databases includes making databases available by means other than the distribution of copies;
- (32) Whereas Member States are required to ensure that their national provisions are at least materially equivalent in the case of such acts subject to restrictions as are provided for by this Directive;
- (33) Whereas the question of exhaustion of the right of distribution does not arise in the case of on-line databases, which come within the field of provision of services; whereas this also applies with regard to a material copy of such a database made by the user of such a service with the consent of the right-holder; whereas, unlike CD-ROM or CD-i, where the intellectual property is incorporated in a material medium, namely an item of goods, every on-line service is in fact an act which will have to be subject to authorization where the copyright so provides;
- (34) Whereas, nevertheless, once the rightholder has chosen to make available a copy of the database to a user, whether by an on-line service or by other means of distribution, that lawful user must be able to access and use the database for the purposes and in the way set out in the agreement with the right-holder, even if such access and use necessitate performance of otherwise restricted acts;
- (35) Whereas a list should be drawn up of exceptions to restricted acts, taking into account the fact that copyright as covered by this Directive applies only to the selection or arrangements of the contents of a database; whereas Member States should be given the option of providing for such exceptions in certain cases; whereas, however, this option should be exercised in accordance with the Berne Convention and to the extent that the exceptions relate to the structure of the database; whereas a distinction should be drawn between exceptions for private use and exceptions for reproduction for private purposes, which concerns provisions under national legislation of some Member States on levies on blank media or recording equipment;
- (36) Whereas the term 'scientific research' within the meaning of this Directive covers both the natural sciences and the human sciences;
- (37) Whereas Article 10 (1) of the Berne Convention is not affected by this Directive;
- (38) Whereas the increasing use of digital recording technology exposes the database maker to the risk that the contents of his database may be copied and rearranged electronically, without his authorization, to produce a database of identical content which, however, does not infringe any copyright in the arrangement of his database;
- (39) Whereas, in addition to aiming to protect the copyright in the original selection or arrangement of the contents of a database, this Directive seeks to safeguard the position of makers of databases against misappropriation of the results of the financial and professional investment made in obtaining and collection the contents by protecting the whole or substantial parts of a database against certain acts by a user or competitor;
- (40) Whereas the object of this *sui generis* right is to ensure protection of any investment in obtaining, verifying or presenting the contents of a database for the limited duration of the right; whereas such investment may consist in the deployment of financial resources and/or the expending of time, effort and energy;

- (41) Whereas the objective of the *sui generis* right is to give the maker of a database the option of preventing the unauthorized extraction and/or re-utilization of all or a substantial part of the contents of that database; whereas the maker of a database is the person who takes the initiative and the risk of investing; whereas this excludes subcontractors in particular from the definition of maker;
- (42) Whereas the special right to prevent unauthorized extraction and/or re-utilization relates to acts by the user which go beyond his legitimate rights and thereby harm the investment; whereas the right to prohibit extraction and/or re-utilization of all or a substantial part of the contents relates not only to the manufacture of a parasitical competing product but also to any user who, through his acts, causes significant detriment, evaluated qualitatively or quantitatively, to the investment;
- (43) Whereas, in the case of on-line transmission, the right to prohibit re-utilization is not exhausted either as regards the database or as regards a material copy of the database or of part thereof made by the addressee of the transmission with the consent of the rightholder;
- (44) Whereas, when on-screen display of the contents of a database necessitates the permanent or temporary transfer of all or a substantial part of such contents to another medium, that act should be subject to authorization by the rightholder;
- (45) Whereas the right to prevent unauthorized extraction and/or re-utilization does not in any way constitute an extension of copyright protection to mere facts or data;
- (46) Whereas the existence of a right to prevent the unauthorized extraction and/or re-utilization of the whole or a substantial part of works, data or materials from a database should not give rise to the creation of a new right in the works, data or materials themselves;
- (47) Whereas, in the interests of competition between suppliers of information products and services, protection by the *sui generis* right must not be afforded in such a way as to facilitate abuses of a dominant position, in particular as regards the creation and distribution of new products and services which have an intellectual, documentary, technical, economic or commercial added value; whereas, therefore, the provisions of this Directive are without prejudice to the application of Community or national competition rules;
- (48) Whereas the objective of this Directive, which is to afford an appropriate and uniform level of protection of databases as a means to secure the remuneration of the maker of the database, is different from the aim of Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data⁽¹⁾, which is to guarantee free circulation of personal data on the basis of harmonized rules designed to protect fundamental rights, notably the right to privacy which is recognized in Article 8 of the European Convention for the Protection of Human Rights and Fundamental Freedoms; whereas the provisions of this Directive are without prejudice to data protection legislation;
- (49) Whereas, notwithstanding the right to prevent extraction and/or re-utilization of all or a substantial part of a database, it should be laid down that the maker of a database or rightholder may not prevent a lawful user of the database from extracting and re-utilizing insubstantial parts; whereas, however, that user may not unreasonably prejudice either the legitimate interests of the holder of the *sui generis* right or the holder of copyright or a related right in respect of the works or subject matter contained in the database;
- (50) Whereas the Member States should be given the option of providing for exceptions to the right to prevent the unauthorized extraction and/or re-utilization of a substantial part of the contents of a database in the case of extraction for private purposes, for the purposes of illustration for teaching or scientific research, or where extraction and/or re-utilization are/is carried out in the interests of public security or for the purposes of an administrative or judicial procedure; whereas such operations must not prejudice the exclusive rights of the maker to exploit the database and their purpose must not be commercial;
- (51) Whereas the Member States, where they avail themselves of the option to permit a lawful user of a database to extract a substantial part of the contents for the purposes of illustration for teaching or scientific research, may limit that permission to certain categories of teaching or scientific research institution;

⁽¹⁾ OJ No L 281, 23. 11. 1995, p. 31.

- (52) Whereas those Member States which have specific rules providing for a right comparable to the *sui generis* right provided for in this Directive should be permitted to retain, as far as the new right is concerned, the exceptions traditionally specified by such rules;
- (53) Whereas the burden of proof regarding the date of completion of the making of a database lies with the maker of the database;
- (54) Whereas the burden of proof that the criteria exist for concluding that a substantial modification of the contents of a database is to be regarded as a substantial new investment lies with the maker of the database resulting from such investment;
- (55) Whereas a substantial new investment involving a new term of protection may include a substantial verification of the contents of the database;
- (56) Whereas the right to prevent unauthorized extraction and/or re-utilization in respect of a database should apply to databases whose makers are nationals or habitual residents of third countries or to those produced by legal persons not established in a Member State, within the meaning of the Treaty, only if such third countries offer comparable protection to databases produced by nationals of a Member State or persons who have their habitual residence in the territory of the Community;
- (57) Whereas, in addition to remedies provided under the legislation of the Member States for infringements of copyright or other rights, Member States should provide for appropriate remedies against unauthorized extraction and/or re-utilization of the contents of a database;
- (58) Whereas, in addition to the protection given under this Directive to the structure of the database by copyright, and to its contents against unauthorized extraction and/or re-utilization under the *sui generis* right, other legal provisions in the Member States relevant to the supply of database goods and services continue to apply;
- (59) Whereas this Directive is without prejudice to the application to databases composed of audiovisual works of any rules recognized by a Member State's legislation concerning the broadcasting of audiovisual programmes;
- (60) Whereas some Member States currently protect under copyright arrangements databases which do not meet the criteria for eligibility for copyright

protection laid down in this Directive; whereas, even if the databases concerned are eligible for protection under the right laid down in this Directive to prevent unauthorized extraction and/or re-utilization of their contents, the term of protection under that right is considerably shorter than that which they enjoy under the national arrangements currently in force; whereas harmonization of the criteria for determining whether a database is to be protected by copyright may not have the effect of reducing the term of protection currently enjoyed by the rightholders concerned; whereas a derogation should be laid down to that effect; whereas the effects of such derogation must be confined to the territories of the Member States concerned,

HAVE ADOPTED THIS DIRECTIVE:

CHAPTER I

SCOPE

Article 1

Scope

1. This Directive concerns the legal protection of databases in any form.
2. For the purposes of this Directive, 'database' shall mean a collection of independent works, data or other materials arranged in a systematic or methodical way and individually accessible by electronic or other means.
3. Protection under this Directive shall not apply to computer programs used in the making or operation of databases accessible by electronic means.

Article 2

Limitations on the scope

This Directive shall apply without prejudice to Community provisions relating to:

- (a) the legal protection of computer programs;
- (b) rental right, lending right and certain rights related to copyright in the field of intellectual property;
- (c) the term of protection of copyright and certain related rights.

CHAPTER II

COPYRIGHT

*Article 3***Object of protection**

1. In accordance with this Directive, databases which, by reason of the selection or arrangement of their contents, constitute the author's own intellectual creation shall be protected as such by copyright. No other criteria shall be applied to determine their eligibility for that protection.

2. The copyright protection of databases provided for by this Directive shall not extend to their contents and shall be without prejudice to any rights subsisting in those contents themselves.

*Article 4***Database authorship**

1. The author of a database shall be the natural person or group of natural persons who created the base or, where the legislation of the Member States so permits, the legal person designated as the rightholder by that legislation.

2. Where collective works are recognized by the legislation of a Member State, the economic rights shall be owned by the person holding the copyright.

3. In respect of a database created by a group of natural persons jointly, the exclusive rights shall be owned jointly.

*Article 5***Restricted acts**

In respect of the expression of the database which is protectable by copyright, the author of a database shall have the exclusive right to carry out or to authorize:

- (a) temporary or permanent reproduction by any means and in any form, in whole or in part;
- (b) translation, adaptation, arrangement and any other alteration;
- (c) any form of distribution to the public of the database or of copies thereof. The first sale in the Community of a copy of the database by the rightholder or with his consent shall exhaust the right to control resale of that copy within the Community;
- (d) any communication, display or performance to the public;

- (e) any reproduction, distribution, communication, display or performance to the public of the results of the acts referred to in (b).

*Article 6***Exceptions to restricted acts**

1. The performance by the lawful user of a database or of a copy thereof of any of the acts listed in Article 5 which is necessary for the purposes of access to the contents of the databases and normal use of the contents by the lawful user shall not require the authorization of the author of the database. Where the lawful user is authorized to use only part of the database, this provision shall apply only to that part.

2. Member States shall have the option of providing for limitations on the rights set out in Article 5 in the following cases:

- (a) in the case of reproduction for private purposes of a non-electronic database;
- (b) where there is use for the sole purpose of illustration for teaching or scientific research, as long as the source is indicated and to the extent justified by the non-commercial purpose to be achieved;
- (c) where there is use for the purposes of public security or for the purposes of an administrative or judicial procedure;
- (d) where other exceptions to copyright which are traditionally authorized under national law are involved, without prejudice to points (a), (b) and (c).

3. In accordance with the Berne Convention for the protection of Literary and Artistic Works, this Article may not be interpreted in such a way as to allow its application to be used in a manner which unreasonably prejudices the rightholder's legitimate interests or conflicts with normal exploitation of the database.

CHAPTER III

SUI GENERIS* RIGHTArticle 7***Object of protection**

1. Member States shall provide for a right for the maker of a database which shows that there has been qualitatively and/or quantitatively a substantial investment in either the obtaining, verification or presentation of the contents to prevent extraction and/or re-utilization of the whole or of a substantial part, evaluated qualitatively and/or quantitatively, of the contents of that database.

2. For the purposes of this Chapter:

- (a) 'extraction' shall mean the permanent or temporary transfer of all or a substantial part of the contents of a database to another medium by any means or in any form;
- (b) 're-utilization' shall mean any form of making available to the public all or a substantial part of the contents of a database by the distribution of copies, by renting, by on-line or other forms of transmission. The first sale of a copy of a database within the Community by the rightholder or with his consent shall exhaust the right to control resale of that copy within the Community;

Public lending is not an act of extraction or re-utilization.

3. The right referred to in paragraph 1 may be transferred, assigned or granted under contractual licence.

4. The right provided for in paragraph 1 shall apply irrespective of the eligibility of that database for protection by copyright or by other rights. Moreover, it shall apply irrespective of eligibility of the contents of that database for protection by copyright or by other rights. Protection of databases under the right provided for in paragraph 1 shall be without prejudice to rights existing in respect of their contents.

5. The repeated and systematic extraction and/or re-utilization of insubstantial parts of the contents of the database implying acts which conflict with a normal exploitation of that database or which unreasonably prejudice the legitimate interests of the maker of the database shall not be permitted.

Article 8

Rights and obligations of lawful users

1. The maker of a database which is made available to the public in whatever manner may not prevent a lawful user of the database from extracting and/or re-utilizing insubstantial parts of its contents, evaluated qualitatively and/or quantitatively, for any purposes whatsoever. Where the lawful user is authorized to extract and/or re-utilize only part of the database, this paragraph shall apply only to that part.

2. A lawful user of a database which is made available to the public in whatever manner may not perform acts which conflict with normal exploitation of the database or unreasonably prejudice the legitimate interests of the maker of the database.

3. A lawful user of a database which is made available to the public in any manner may not cause prejudice to

the holder of a copyright or related right in respect of the works or subject matter contained in the database.

Article 9

Exceptions to the *sui generis* right

Member States may stipulate that lawful users of a database which is made available to the public in whatever manner may, without the authorization of its maker, extract or re-utilize a substantial part of its contents:

- (a) in the case of extraction for private purposes of the contents of a non-electronic database;
- (b) in the case of extraction for the purposes of illustration for teaching or scientific research, as long as the source is indicated and to the extent justified by the non-commercial purpose to be achieved;
- (c) in the case of extraction and/or re-utilization for the purposes of public security or an administrative or judicial procedure.

Article 10

Term of protection

1. The right provided for in Article 7 shall run from the date of completion of the making of the database. It shall expire fifteen years from the first of January of the year following the date of completion.

2. In the case of a database which is made available to the public in whatever manner before expiry of the period provided for in paragraph 1, the term of protection by that right shall expire fifteen years from the first of January of the year following the date when the database was first made available to the public.

3. Any substantial change, evaluated qualitatively or quantitatively, to the contents of a database, including any substantial change resulting from the accumulation of successive additions, deletions or alterations, which would result in the database being considered to be a substantial new investment, evaluated qualitatively or quantitatively, shall qualify the database resulting from that investment for its own term of protection.

Article 11

Beneficiaries of protection under the *sui generis* right

1. The right provided for in Article 7 shall apply to database whose makers or rightholders are nationals of a Member State or who have their habitual residence in the territory of the Community.

2. Paragraph 1 shall also apply to companies and firms formed in accordance with the law of a Member State and having their registered office, central administration or principal place of business within the Community; however, where such a company or firm has only its registered office in the territory of the Community, its operations must be genuinely linked on an ongoing basis with the economy of a Member State.

3. Agreements extending the right provided for in Article 7 to databases made in third countries and falling outside the provisions of paragraphs 1 and 2 shall be concluded by the Council acting on a proposal from the Commission. The term of any protection extended to databases by virtue of that procedure shall not exceed that available pursuant to Article 10.

CHAPTER IV

COMMON PROVISIONS

Article 12

Remedies

Member States shall provide appropriate remedies in respect of infringements of the rights provided for in this Directive.

Article 13

Continued application of other legal provisions

This Directive shall be without prejudice to provisions concerning in particular copyright, rights related to copyright or any other rights or obligations subsisting in the data, works or other materials incorporated into a database, patent rights, trade marks, design rights, the protection of national treasures, laws on restrictive practices and unfair competition, trade secrets, security, confidentiality, data protection and privacy, access to public documents, and the law of contract.

Article 14

Application over time

1. Protection pursuant to this Directive as regards copyright shall also be available in respect of databases created prior to the date referred to in Article 16 (1) which on that date fulfil the requirements laid down in this Directive as regards copyright protection of databases.

2. Notwithstanding paragraph 1, where a database protected under copyright arrangements in a Member State on the date of publication of this Directive does not fulfil the eligibility criteria for copyright protection laid down in Article 3 (1), this Directive shall not result in any

curtailing in that Member State of the remaining term of protection afforded under those arrangements.

3. Protection pursuant to the provisions of this Directive as regards the right provided for in Article 7 shall also be available in respect of databases the making of which was completed not more than fifteen years prior to the date referred to in Article 16 (1) and which on that date fulfil the requirements laid down in Article 7.

4. The protection provided for in paragraphs 1 and 3 shall be without prejudice to any acts concluded and rights acquired before the date referred to in those paragraphs.

5. In the case of a database the making of which was completed not more than fifteen years prior to the date referred to in Article 16 (1), the term of protection by the right provided for in Article 7 shall expire fifteen years from the first of January following that date.

Article 15

Binding nature of certain provisions

Any contractual provision contrary to Articles 6 (1) and 8 shall be null and void.

Article 16

Final provisions

1. Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive before 1 January 1998.

When Member States adopt these provisions, they shall contain a reference to this Directive or shall be accompanied by such reference on the occasion of their official publication. The methods of making such reference shall be laid down by Member States.

2. Member States shall communicate to the Commission the text of the provisions of domestic law which they adopt in the field governed by this Directive.

3. Not later than at the end of the third year after the date referred to in paragraph 1, and every three years thereafter, the Commission shall submit to the European Parliament, the Council and the Economic and Social Committee a report on the application of this Directive, in which, *inter alia*, on the basis of specific information supplied by the Member States, it shall examine in particular the application of the *sui generis* right, including Articles 8 and 9, and shall verify especially whether the application of this right has led to abuse of a dominant position or other interference with free competition which would justify appropriate measures being taken, including the establishment of non-voluntary licensing arrangements. Where necessary, it shall submit proposals for adjustment of this Directive in line with developments in the area of databases.

Article 17

This Directive is addressed to the Member States.

Done at Strasbourg, 11 March 1996.

For the European Parliament

The President

K. HÄNSCH

For the Council

The President

L. DINI
