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WIPO/CR/VIL/99/2
ORIGINAL: English
DATE: April 14, 1999

MINISTRY OF CULTURE
REPUBLIC OF LITHUANIA

WORLD INTELLECTUAL
PROPERTY ORGANIZATION

REGIONAL ROUNDTABLE ON THE PROTECTION OF RIGHTS OF BROADCASTING ORGANIZATIONS AND ON THE PROTECTION OF DATABASES

organized by
the World Intellectual Property Organization (WIPO)

in cooperation with
the Ministry of Culture of the Republic of Lithuania

Vilnius, April 20 to 22, 1999

INTELLECTUAL PROPERTY RIGHTS FOR NON-ORIGINAL DATABASES–THE EUROPEAN COMMUNITY DIRECTIVE AND THE SCANDINAVIAN EXPERIENCE

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I. The Scandinavian experience

1. The Copyright Acts of the five Nordic countries (Denmark, Finland, Iceland, Norway and Sweden) date back to the beginning of the 1960s (with the exception if Iceland where the Act came into being about ten years later). All the laws have from the outset contained provisions on so-called catalogue protection, that is intellectual property law protection, similar to copyright, in collections of large amounts of information items. As an example can be mentioned the Swedish Copyright Act of 1960 (Statute book 1960, No 729), where Article 49 read (before the revision at the implementation of the European Community so-called Data Base Directive):

"A catalogue, a table or another similar production in which a large number of information items have been compiled may not be reproduced without the authorisation of the producer until ten years have elapsed from the year in which the production was published."

2. Then followed a list of references to other provisions in the Act dealing with limitations on copyright which were thus made applicable to that protection. It was also stated that if a production of this kind, or a part thereof, is subject to copyright, also copyright protection may be claimed.

3. Many and perhaps most extensive collections of information enjoy copyright protection because they are the result of intellectual creativity. However, frequently there is no protection under copyright because the collection and compilation is being made according to simple principles and is carried out as a matter of routine. From the point of view of legal policy, the decision-makers back in the 1950s and 1960 considered it not to be satisfactory that such collections/compilations would be free to be copied by others. They often represent a considerable value in view of the work carried out in the collection and the arrangement of it.

4. The *subject matter of protection* under the protection was "catalogues, tables or other similar productions." This covered for instance numerous catalogues, almanachs. calendars, time-tables etc. and also stock market value and exchange rate tables. The Supreme Court found in a case in 1985 that a collection of about 60 information items about pot-plants was covered by the provision. On the other hand, for instance, theatre, concert and radio programs were not subject matter of protection.

5. The protection applied in *whatever form the collection existed*, also for instance computerised information collections.

6. In order to enjoy protection the collection must comprise *a large number of information items*. Thus smaller productions such as local time-tables and collections of information in pocket calendars were not comprised.

7. The protection applied to the *collection as such and not to the individual information items* comprised in it. It was thus permissible to use information from a collection for the production of other collections, provided that no reproduction of the collection as such took place.

8. The basis for the protection was the *act of collection and arrangement as such* and, for instance, a re-publication of an earlier collection did not give rise to a new protection.

9. The protection implied that *nobody was allowed to reproduce the collection* without permission for a certain period of time. The term reproduction in this context meant all kinds of ways in which the collection as such was transmitted into a new medium, of the same kind or of a different kind, regardless of the technique used, and covered also more or less obvious plagiarism.

10. The protection applied to the collection as such and *not to the special typographical design* it had been given.

11. The protection applied in respect of *the producer of the collection*, regardless of whether he was a physical or a moral person. The right was not designed as an exclusive right but as a right to object to the actual act.

12. The protection applied for *ten years* from the year when the collection was published in the copyright sense of the word, i.e. that copies were, with the consent of the right-owner, made available to the public in such a quantity as to meet the reasonable demand. Consequently, if the collection was never published, the protection lasted forever.

13. The protection was *purely national*, and it applied only to producers were nationals of the country concerned or who had their habitual residence in the country or were legal entities in that country or had been first published there. It did not even apply as between the Scandinavian countries themselves. When they joined the European Economic Area and/or the European Community and consequently the non-discrimination principle of the Phil Collins case was to be applied, the protection given to nationals had to be extended also to nationals of countries in the other members of the Area/Community.

14. This catalogue rules existed, as just mentioned, for many years in the legislation of the Nordic Countries. It proved to be a useful complement to the copyright protection and seems to have had no negative effects, because, first, the protection did not extent to information items as such but just to the collection of them and, secondly, the exceptions to the protection were framed in parallel to those applying to copyright.

15. All this changed with the advent of the Community Database Directive which introduced in the European Community the concept of a *sui generis right for non-original databases*. The Scandinavian/Nordic countries chose to implement this part of the Directive through amendments to the catalogue rule described above and the provision therefore now is analogue to the provisions in the Directive (substantial investment as a basis for protection, term of protection of 15 years, etc). The following headline of this paper contains a survey of the contents of the present legal situation in the European Community on the basis of this Directive.

II. Directive (96/9/EC) of the European Parliament and of the Council of 11 March 1996 on the Legal Protection of Data Bases.

General

16. This Directive is one of the most important ones in the context of the so called Information Society. It contains provisions on the protection of data bases which are original and thus protected under copyright and, in addition, also a so-called *sui generis* protection of non-original data bases. The Directive was to be implemented as from January 1, 1998 and it made necessary adaptations of all the national copyright laws of the members of the European Community.

17. The subject matter of the Directive is *"databases."* According to Article 1(2) of the Directive "database" is for the purposes of the Directive a *"collection of independent works, data or other material arranged in a systematic or methodical way and individually accessible by electronic or other means."* From this follows that the Directive applies not only to electronic data bases but also to non-electronic ones; this in also stated in Recital 14. Recital 17 adds that the definition of a database, in particular the notion of individual accessibility and of independent works, data etc. means that a recording or an audiovisual cinematographic literary or musical work as such does not fall under the Directive. Furthermore, Article 1(3) prescribes that protection under the Directive shall not apply to computer programs used in the making or operation of databases accessible by electronic means.

18. The protection of databases under copyright law follow the normal rules for copyright protection of original works and is not further dealt with here. What is more important in this context it the protection of non-original databases under the sui generis protection system. In this respect the Directive contains essentially the following.

Databases protected under the *sui generis* right

19. Chapter III contains provision on the protection of databases under a right outside copyright. This is a new concept in most countries and would probably, as it did in Scandinavia, necessitate legislative amendments.

20. The *object of that protection* is set out in Article 7. The Member States shall, according to Article 7(1) provide for a right for the maker of a database which shows that there has been qualitatively or quantitatively a substantial investment in either the obtaining, verification or presentation of the contents. The right shall include a possibility to prevent extraction and/or re-utililization of the whole or of a substantial part, evaluated qualitatively or quantitatively, of the contents of that database. In Article 7(2) follow then definitions of the concepts of *"extraction*" (essentially transfer of the contents into another medium) and *"re-utilization*" (essentially the making available of the contents); public lending is not an act of extraction or re-utilization. Furthermore, Article 7(5) contains an extension of the right in that it prescribes that the repeated and systematic extraction and/or re-utilization of insubstantial parts of the contents of a database implying acts which conflict with a normal exploitation or which unreasonably prejudice the legitimate interests of the maker of the database shall not be permitted.

21. *Exceptions to the right* are dealt with in Article 9. Those exceptions imply that the lawful user of a database which is available to the public in any manner may, without the authorisation of its maker extract or re utilise a substantial part of its contents in three cases which correspond to what is mentioned in Article 6(2) a) to c) in respect of the copyright-protected databases.

Article 7(3) states the transferability of these rights and Article 7(4) states some very important principles about the relations between the right and other rights in the base or in its contents. Thus the provision states: *"The right provided for in paragraph 1 shall apply irrespective of the eligibility of that database for protection by copyright or by other means. 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."* Consequently the right of the database maker is independent of a possible copyright in the base and also of any rights existing in the contents as such.

22. As mentioned earlier, the right provided for in this part of the Directive is new for most countries. In order to provide for legal certainty it would probably be desirable to describe the rights in exactly the same way as in the Directive (even if the wording could be somewhat simplified as has been done in some of the Community States). One problem relates to the provision in Article 7(5) about the use of insubstantial parts of the database where a right has to be provided for only where it is contrary to the impairment test. It would, however, be prudent to include also such uses under the right. It would also be advisable to mention in the legal texts that the right exist independently of any copyright or other right in the base or in its contents. Also, the exceptions have to be clearly specified corresponding to the provisions in Article 9.

23. Article 8 contains provisions on the *rights and obligations of lawful users of a database* protected under this Chapter in the Directive. The basic provision is included in Article 8(1) and states: *"The maker of a database which is available to the public may not prevent a lawful user of a database from extracting or re-utilising insubstantial parts of its contents, evaluated qualitatively and/or quantitatively, for any purposes whatsoever. There the lawful user is authorised to extract or re-utilise only part of the database, this paragraph shall apply only to that part."* Then follow two restrictions to that user's right. One is contained in Article 8(2) and states that such a lawful user of a database thus available to the public may not perform acts which conflict with a normal exploitation of the database or unreasonably prejudice the legitimate interests of the maker. The other restriction is included in Article 8(3) and states that a lawful user of a database thus available to the public may not cause prejudice to the holder of copyright or related rights in respect of the works or subject matter contained in the database. Article 15 prescribes that any contractual provision contrary to Article 8 shall be null and void.

24. These provisions on the rights and obligations of the users are very important and need to be repeated in national law. In order to provide for sufficient legal certainty it would probably be preferable if the provisions in their wording be included in the text of the Copyright Act. It would also be prudent to include the test which forms part of Article 8(2).

25. The *term of protection* shall, according to Article 10(1) run from the date of the completion of the database and shall expire 15 years from the first of January of the year

following the date of completion. If, however, the database has been made available to the public before the expiry of the term mentioned in paragraph (1), the term of 15 years shall expire from the first of January of the year following the date when the database was first made available to the public. Article 10(3) contains a particularly important provision concerning the case when changes are made in a database. For this situation, the paragraph states: *"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."*

26. These provisions on the term of protection need to be incorporated in the national law, including provisions for the case of substantial changes in the database.

27. *The beneficiaries of the sui generis protection* are only those with a certain link to the European Community. Thus Article 11(1) prescribes that the protection shall be granted to database maker who are either nationals or have their habitual residence in the territory of the Community (=the European Economic Area). In paragraph (2) are included provisions on companies and firms and the links that they must have to the Community in order for their databases to enjoy protection. Paragraph (3) deals with the extension of the right to databases in third countries, in which case a decision by the Council of Ministers is needed.

28. The provisions in paragraphs (1) and (2) need to be included in the national law in order to determine the protection given to databases originating in foreign countries.

29. The rest of the Directive contains some special provisions. Article 12 provides that *appropriate remedies* shall be provided for in respect of infringement of the rights under the Directive. This provision does not call for special national provisions. Article 13 speaks about continued application of other legal provisions and states mainly that the Directive shall be without prejudice to provisions in other areas. Also this provision does not seem to call for special provisions in national law.

30. Important provisions are incorporated in Article 14 on *application over time*. As regards copyright-protected databases (which are mentioned here only in order to present a complete picture) the general provision is contained in Article 14(1) to the effect that the protection pursuant to the Directive shall be available also in respect of databases created prior to the date when the Directive would have to be implemented, viz. January 1, 1998. A special provision is contained in paragraph (2) dealing with databases which, on the same date, is protected in a certain Member State under copyright arrangements but which does not fulfil the eligibility criteria for copyright protection under Article 3(1), viz. the originality criterion, the Directive shall not result in any curtailing of the protection in that Member State of the remaining term of protection.

31. These provisions would in principle need to be repeated in national law in order to secure that the protection provided for in the Directive is actually available also to databases which were created before the entry into force. However, if copyright protection already existed for databases before in a country it could be assumed that the protection applies also retroactively, but the term of protection could on the other hand have been earlier calculated in a different way. It is therefore safer to repeat the provision in Article 14(1) in the national legislation.

32. As then regards the *sui generis* protection, Article 14(3) prescribes that the protection pursuant to the Directive shall be available in respect of databases the making of which was completed not more than 15 years prior to the date for the implementation (January 1, 1998) and on that date fulfil the requirements which are laid down in Article 7. In the case of a database whose making was completed not more than 15 years prior to the date just mentioned, the term of protection shall, according to Article 14(5) expire 15 years from January 1 following that date. As this *sui generis* protection did not exist before, provision has to be made in national law corresponding to these two provisions.

33. As in the case of other extensions of the protection backwards, Article 14(4) prescribes that the protection under paragraphs (1) and (3) shall be without prejudice to any acts concluded and rights acquired before the date referred to in these paragraphs. This provision should also be included in national law along the same patters has been mentioned in respect of the other Directives.

[Annex follows
(transparency sheets)]

ANNEX

IP RIGHTS FOR NON-ORIGINAL DATA BASES

1. THE "CATALOGUE RULE" IN THE SCANDINAVIAN COPYRIGHT ACTS

– **PROTECTED SUBJECT MATTER: Catalogues, tables or other similar productions in which a large number of information items have been compiled.**

– **PROTECTION GRANTED: Against unauthorised reproduction of the production (in total or in substantial parts; not the individual information items)**

– **TERM OF PROTECTION: 10 years from publication**

– **BENEFICIARY OF THE PROTECTION: The maker of the production**

– **GEOGRAPHICAL SCOPE OF PROTECTION: Purely national**

2. EUROPEAN COMMUNITY DATA BASE DIRECTIVE

– **SCOPE OF THE DIRECTIVE: Original and non-original data bases (Sui generis right).**

– **PROTECTED SUBJECT MATTER UNDER THE SUI GENERIS RIGHT: data bases being the result of a qualitatively and/or quantitatively substantial investment in a) the obtaining or b) the verification or c) the presentation of the contents.**

– **PROTECTION GRANTED: against**

a) extraction (essentially the transfer of the whole or a substantial part of the contents into another medium) and

b) re-utilisation (essentially the making available of the contents.

– **EXCEPTIONS TO THE RIGHTS: in addition to traditional exceptions also a right for a lawful user of a data base to extract or re-utilise insubstantial parts of its contents.**

– **TERM OF PROTECTION: 15 years from the completion of the data base.**

– **GEOGRAPHICAL SCOPE OF PROTECTION: beneficiaries who are nationals of a Community country or who have certain other links to the Community (or the European Economic Area).**

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