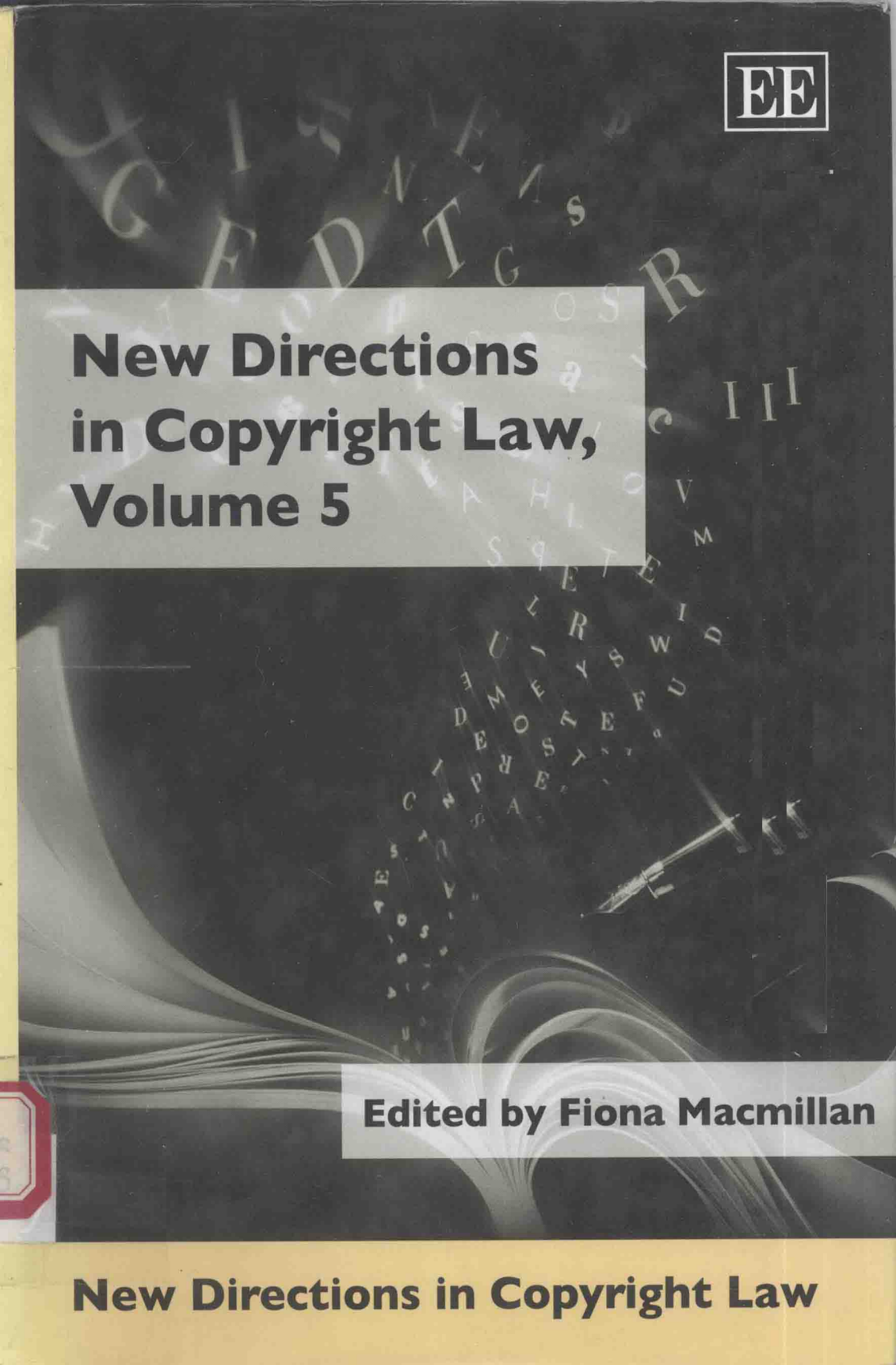
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New Directions in Copyright Law, Volume 5
Edited by Fiona Macmillan
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Volume 5

Edited by

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New Directions in Copyright Law

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Preface

Fiona Macmillan

This volume continues the exploration of the role, function, and theoretical basis of copyright law, which is taking place under the auspices of the Arts and Humanities Research Council Network on New Directions in Copyright Law (http://www.copyright.bbk.ac.uk) with the generous support of the School of Law at Birkbeck. The Network is formed around an international and multidisciplinary core of scholars working in the copyright area, but locates its activities within the broad community of copyright scholars and other copyright stakeholders with a view to playing a leading role in stimulating international research and debate about the future of the copyright system.

The work of the Network is pursued through six interrelated themes, which are:

(1) Theoretical Framework of Copyright Law;
(2) Globalisation, Convergence and Divergence;
(3) Developments in Related Rights and Rights Neighbouring on Copyright;
(4) Protection of Traditional Knowledge and Culture;
(5) Copyright and the New Technologies; and
(6) Copyright, Corporate Power and Human Rights.

This edited collection contains work conducted within the Network in relation to the fifth and sixth of these themes. Alert readers will, however, notice that the sixth theme precedes the fifth in this volume. This reflects the chronological order of the workshops at which the papers on which the chapters in this volume are based were originally presented.

The workshop on copyright, corporate power and human rights was organised and led by Dr Uma Suthersanen of Queen Mary, University of London. The same tasks in relation to the workshop on copyright and the new technologies were performed by Professor Martha Woodmansee of Case Western Reserve University. I am indebted to them for their organisation of stimulating workshops. Similarly, particular thanks must go to the contributors of the workshop papers that, in a revised form, became the chapters in this volume for playing an obviously essential role in the work of the Network.

Lastly, and as always, I owe a major debt of gratitude to the Network Administrator, Valerie Kelley, for her assistance in organising Network events and her indispensable contribution to the production of this volume.

School of Law
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Contents

PART ONE

COPYRIGHT, CORPORATE POWER AND HUMAN RIGHTS

1. Database *Sui Generis* Right: The Need to Take the Public's Right to Information and Freedom of Expression into Account

Estelle Derclaye

In the European Union, databases are protected by a specific intellectual property right, the database *sui generis* right, also known as the 'database right'. Many have criticised it for its excessive breadth. Section 1 of the chapter first briefly presents the database right's main features. Thereafter, Section 2 examines whether the public's right to information, which is protected by Article 10 of the European Convention on Human Rights (ECHR), must be taken into account into the database right legislation (the Database Directive). It concludes that it must and therefore determines how it must be taken into account. To do so, a standard will be used. Section 3 then scrutinises the database right to see whether the public's right to information is sufficiently taken into account. As some features of the right are too broad and do not respect the public's right to information, Section 4 suggests remedies using the standard established in Section 2.

1. MAIN FEATURES OF THE DATABASE RIGHT

The database right was introduced in 1996 by Directive 96/9/EC of the European Parliament and of the Council on the legal protection of databases ('the Directive').[1] Even if the Directive is not explicit on the database right's legal nature, it is an intellectual property right. It is implicit from Article 7(3) which states that the right may be transferred, assigned or granted under contractual licence and from Article 7(1), which states it is a right to prevent extraction and reutilisation of the contents of the database. In addition, the principle of exhaustion (Article 7(2)(b)) and exceptions to the rights (Articles

1 Directive of 11 March 1996, OJ L77/20, 27 March 1996.

8 and 9) are provided and the right has a term of protection (Article 10), like other intellectual property rights.[2]

The right protects databases. They can be in any form, for example, on paper, CD-ROM or online (Article 1(1)) and are defined as collections 'of independent works, data or other materials, systematically or methodically arranged and individually accessible by electronic or other means' (Article 1(2)). This definition is quite broad and it has been argued that supermarkets, rooms, stone collections, even carnival processions, could be databases.[3] This is because of the term 'materials', which can arguably include tangible objects. Nevertheless, apart from this breadth due to the term 'materials', the definition is somewhat circumscribed, as the items must be independent from each other. This will, for example, exclude statistical tables whose numbers are dependent on one another, that is, no element has autonomous informative value. In addition, the elements must be arranged systematically or methodically. This will exclude haphazard collections.[4]

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2 An overwhelming majority of commentators also classified it as an intellectual property right. See, for example, W. Copinger and F. Skone James, *On Copyright* (London: Sweet & Maxwell, 1999, 14th edn), 18–04; V. Bensinger, *Sui generis Schutz für Databanken, die EG-Datenbank Richtlinie vor dem Hintergrund des nordischen Rechts* (Munich: Beck, 1999), 111 ff; J. Gaster, *Der Rechtschutz von Databanken* (Cologne: Carl Heymanns, 1999), 118 ff, 457 ff; H. Laddie, P. Prescott and M. Vitoria, *The Modern Law of Copyright and Designs* (Butterworths: London, 2000, 3rd edn), 14, 1–26 and 1072, 30.36; G. Westkamp, *Der Schutz von Datenbanken und Informationssammlungen in britischen und deutschen Recht* (Munich: Beck, 2003), 116; G. Karnell, 'The European Sui Generis Protection of Data Bases: Nordic and U.K. Law Approaching the Court of the European Communities – Some Comparative Reflections', *Journal of the Copyright Society of the USA* (2002), at 998; J. Angel and T. Quinn, 'The New Database Law', *Computer Law and Security Report* (1998) 34; P.B. Hugenholtz, 'De databankrichtlijn eindelijk aanvaard: een zeer kritisch commentaar', *Computerrecht* (1996), at 134; G. Koumantos, 'Les bases de données dans la directive communautaire', *Revue Internationale du Droit d'Auteur* 171/79 (1997), 114–15; J. Lipton, 'Security Interests in Electronic Databases', *International Journal of Law & Information Technology* 9 (2001), 65, 72; N. Mallet-Poujol, 'La directive concernant la protection juridique des bases de données: la gageure de la protection privative', *Droit de l'Informatique & des Télécoms* 1 (1996), 6; F. Pollaud-Dulian, 'Comment on Tigest v. Reed Exposition France et Salons Français et Internationaux', CA Paris, 12 September 2001 JCP, 1, 2 January 2002 (2002), 28; M. Studer, 'The Quest for Legal Protection of Databases in the Digital Age, Recent Developments with Focus on the United States', *Journal of World Intellectual Property* (2001), at 662; N. Thakur, 'Database Protection in the European Union and the United States: the European Database Directive as an Optimum Global Model?' *Intellectual Property Quarterly* (2001), at 114.

3 M. Davison, *Sui Generis Protection of Databases*, Ph.D. thesis, University of Monash, 2001 (on file with the author), 83–4; A. Quaedvlieg, 'Onafhankelijk, geordend en toegangkelijk: het object van het databankenrecht in de richtlijn', *Informatierecht/AMI* 9 (2000), 177; D. Visser, 'Carnaval in Oss: Variété, Databank of Folkore?' *Mediaforum* (1999), 374.

4 This interpretation has been confirmed by the European Court of Justice ('ECJ') in its four related decisions of 9 November 2004, *Fixtures Marketing Ltd v Organismos Prognostikon Agonon Podosfairou* (OPAP) (case C–444/02) [2005] 1 CMLR 16 (further referred to as 'OPAP'); *Fixtures Marketing Ltd v Oy Veikkaus AB* (case C–46/02) [2005]

The right accrues when a qualitatively or quantitatively substantial investment in the obtaining, verifying or presenting of the materials is proven (Article 7). What is an investment is not defined. However, from the Directive's recitals and the ECJ's (European Court of Justice) interpretation in its decisions of 2004, it is clear that investment can be financial, material (acquisition of equipment, for example, computers) or human (number of employees, hours of work). The Directive does not define a *substantial* investment and the ECJ did not venture in giving an interpretation. Many national courts, and the Advocate General in its Opinion in the *Veikkaus* case,[5] have interpreted the requirement as being rather low. For example, a few days work or a few hundred pounds or euros may be sufficient to qualify the database.[6] By contrast, the terms 'qualitatively' and 'quantitatively' have been interpreted by the ECJ. A quantitatively substantial investment refers to the amount of money and/or time invested in the database, while a qualitatively substantial investment refers to the effort and/or energy invested in the database. The alternative requirement set out in the Directive (quantitatively *or* qualitatively) therefore allows protecting a database that required only a substantial investment in effort or energy rather than in money.

The ECJ construed the term 'obtaining' as meaning only collecting the elements of a database. This excludes their creation.[7] This interpretation is very important because a lot of so called spin-off databases, similar to those in question in the cases before the ECJ (that is, horseracing and football fixtures) are now excluded from protection. This includes, for example, event schedules, television or radio programmes, transport timetables, telephone subscriber data, stock prices, scientific data resulting from research or experimentation and sports results. If the substantial investment in the collection, verification or presentation of the materials is inseparable from the substantial investment in their creation, the right will not subsist. On the other hand, verifying and presenting have been given a straightforward dictionary meaning. Verifying means ensuring the reliability of the information contained in the database and monitoring the accuracy of the materials collected when the database was created and during its operation.[8]

ECDR 2 (further referred to as 'Veikkaus'); *Fixtures Marketing Ltd v Svenska Spel AB* (case C–338/02) [2005] ECDR 4 (further referred to as 'Svenska Spel') and *The British Horseracing Board Ltd v William Hill Organisation Ltd* (case C–203/02) [2005] 1 CMLR 15 (further referred to as 'BHB'), also available on www.curia.eu.int.

5 Opinion of Advocate General Stix-Hackl, 8 June 2004, case C–46/02 (Veikkaus), para. 49, available on www.curia.eu.int.

6 See, for example, *Sonacotra v Syndicat Sud Sonacotra*, TGI Paris, 25 April 2003 [2003] Dalloz, 2819, comment C. Le Stanc, available on www.legalis.net; *Spot v Canal Numédia*, TPI Bruxelles (réf.), 18 January 2001 [2002] Revue Ubiquité 95, comment S. Dusollier.

7 See, for example, paragraph 24 (Svenska Spel).

8 Paragraph 27 (Svenska Spel).

Presenting refers to 'the resources used for the purpose of giving the database its function of processing information, that is to say those used for the systematic or methodical arrangement of the materials contained in that database and the organisation of their individual accessibility'.[9]

As briefly mentioned above, the database right grants to the database maker, the right to prevent the extraction and the reutilisation of a substantial part, evaluated quantitatively or qualitatively, of the contents of the protected database (Article 7). The rights of extraction and reutilisation can be compared to the rights of reproduction and communication to the public in copyright law, as they are very similar. A substantial part has not been defined but, according to the ECJ, it must represent a substantial investment. Thanks to the ECJ's ruling, it is also clear that a part that does not fulfil the requirement of a substantial part is automatically an insubstantial part.[10] Finally, the substantial part evaluated quantitatively refers to the volume of the data extracted or re-utilised from the database and it must be assessed in relation to the volume of the contents of the whole of the database,[11] while the substantial part evaluated qualitatively refers to the scale of investment in the obtaining, verification or presentation of the contents, regardless of whether that subject (or part) represents a quantitatively substantial part of the contents.[12] Users can therefore use insubstantial parts as long as they do not do it repeatedly and systematically so that the accumulation of insubstantial parts becomes a substantial part.[13]

There are three exceptions to the rights but they are all optional so Member States did not have to implement them. According to Article 9 of the Directive, lawful users, that is, those who have acquired a lawful copy of the database,[14] can (a) extract a substantial part of the contents of a non-electronic database for private purposes; (b) extract a substantial part of any database for the purposes of illustration for teaching or scientific research, as long as it is not for commercial purposes and the source is indicated; and (c) extract and/or reutilise a substantial part of any database for the purposes of

9 Paragraph 27 (Svenska Spel).
10 Paragraph 73 (BHB).
11 Paragraph 70 (BHB).
12 Paragraph 71 (BHB).
13 Articles 7(5) and 8(1) as construed by the ECJ, see paragraph 86 (BHB).
14 No clear guidance is given in the Directive as to who is a lawful user. This is our preferred interpretation as well as the one given by V. Vanovermeire, 'The Concept of the Lawful User in the Database directive', *International Review of Industrial Property and Copyright Law* (2000), 62, at 71; U. Suthersanen, 'A Comparative Review of Database Protection in the European Union and the United States', in F. Dessemontet and R. Gani, eds, *Creative Ideas for Intellectual Property*, The ATRIP Papers 2000–2001 (Lausanne: Cédidac, 2002), at 74; M. Davison, *The Legal Protection of Databases* (Cambridge: Cambridge University Press, 2003), 78; H. Vanhees, 'De juridische bescherming van databanken', *Rijkskundig Weekblad* (1999–2000) at 1007.

public security or an administrative or judicial procedure. Thus the number of exceptions varies from Member State to Member State. For instance, the United Kingdom chose to implement only article 9(b) and (c).[15] Some countries implemented all three exceptions (for example, France and Belgium).[16] The Directive made the right of the user to use insubstantial parts not amounting to a substantial part has been made imperative but not the three optional exceptions. Therefore, database makers can override them by contract and by technological protection measures (TPMs) as long, however, as Article 6(4) of the Copyright Directive[17] is respected.[18]

Finally, databases are protected for 15 years from their completion or their publication (Article 10). Furthermore, each time the database maker reinvests substantially in the obtaining, verifying or presenting of the elements of her database and there is a substantial change, she gets a new term of 15 years. What is unclear however is whether she gets it on the whole new database which comprises the 'old' elements (that is, those whose term has expired) or only on the elements that have newly been included, verified or presented.

2. SHOULD THE PUBLIC'S RIGHT TO INFORMATION BE TAKEN INTO ACCOUNT BY THE DATABASE RIGHT AND IF SO HOW?

To ascertain whether the public's right to information should be taken into account by the database right, it must be recalled that, as it is an intellectual property right, the intellectual property paradigm applies. The intellectual property paradigm can be summarised as follows. No intellectual property right is absolute. There is an initial balance made within intellectual property laws. This balance represents a trade-off between several interests, mainly those of the creators on the one hand and those of the public or the users on the other. All intellectual property rights have therefore a delimited subject-matter, protection requirements, rights, exceptions and a limited term. How the balance is made in practice is different for each right. Sometimes this balance can tilt too much in favour of the authors, producers or inventors to

15 See regulation 20(1) and 20(2) of the Copyright and Rights in Databases Regulations of 18 December 1997, S.I. 1997 n. 3032.

16 See article L. 331–4 of 342–3–2 of the French Intellectual Property Code, Law no. 92–597 of 1 July 1992 as amended by Law no. 98–536 of 1 July 1998 and Law no. 2006–961 of 1 August 2006 available at: www.legifrance.gouv.fr. The teaching and research exception has been introduced only in 2006 and only enters into force on 1 January 2009: see article L. 342–3–4 and article 23 *bis* of the Belgian Copyright Act 1994 as amended.

17 Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society, OJ L167/10, 22 June 2001.

18 This will be explored in more detail later.

the detriment of society.[19] Remedies must then be found either internally (for example, by way of introducing new exceptions or expanding the existing ones) or when it is not possible, as has been proposed by some,[20] externally (for example, using human rights).

Since, apart from the Directive itself, there is no guidance as to whether the public's right to information is a relevant area of law that must be considered when enacting or interpreting the database right, the latter must be compared to the most closely related intellectual property right, that is, copyright. This is because originally databases were protected by copyright as literary works in many countries; although in some only the structure was protected (for example, France, Belgium, Germany), while in others (United Kingdom, Ireland) it was the contents. The traditional justifications for copyright (naturalist and utilitarian), as well as the much more recent justification that copyright is a human right,[21] do not determine the exact limits of copyright (for example, how long the term should be, what the protection requirements should be) and, in this regard, they are not helpful.[22] They only state that there must be a balance but do not determine which one or how to make it. The only justification that does that to a certain extent is the economic analysis of copyright law.[23] Under the economic justification of copyright, ideas should not be protected, as they create monopolies that in turn generate welfare loss. This means that the number of works is reduced and this is not in the general interest as it reduces social welfare. Therefore, only expressions should be protected. However if the law makes it impossible to borrow some of the protected expression of a work, the number of works will decrease and, again, this will not enhance general welfare. Thus productive use of works should be allowed, such as book reviews. Productive use (as opposed to reproductive use) lowers the costs of expression[24] and thus reduces the cost of creating new works, thereby

19 C. Geiger, *Droit d'auteur et droit du public à l'information, Approche de droit comparé*, (Paris: Litec, 2004), 69–112, showed that in copyright law, the balance has now tilted too much in favour of the producers.

20 Geiger, ibid., uses human rights to balance copyright law.

21 See, for example, Geiger, supra n. 19; P. Torremans, 'Copyright as Human Right', in P. Torremans, ed., *Copyright and Human Rights: Freedom of Expression – Intellectual Property – Privacy* (The Hague: Kluwer Law International, 2004), 1; A. Strowel and F. Tulkens, 'Freedom of Expression and Copyright under Civil Law: Of Balance, Adaptation, and Access', in J. Griffiths and U. Suthersanen, eds, *Copyright and Free Speech, Comparative and International Analyses* (Oxford: Oxford University Press, 2005), at 292–4.

22 This is explored in detail in the author's doctoral thesis on the legal protection of databases (to be published by Edward Elgar), at 33–43.

23 See mainly, W. Landes and R. Posner, 'An Economic Analysis of Copyright Law', *Journal of Legal Studies* 18 (1989), 325.

24 The costs of expression are opposed to the costs of production. The former include the cost of creating the work (the author's time and effort) added to, in the case of literary