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PROTECTION OF DATABASES

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I. COPYRIGHT PROTECTION OF DATABASES

Berne Convention

1. For the first time, the 1908 Berlin Act of the Convention provided for the protection of collections; at that time, collections were still protected as a category of "derivative works." They were mentioned (in Article 2(2)) along with translations, adaptations, etc. Collections were then transferred into a separate paragraph at the 1948 Brussels revision conference. In the Brussels Act, it was still paragraph (4), which at the 1967 Stockholm revision conference was renumbered, without any substantive change, to become paragraph (5), which reads as follows: "Collections of literary or artistic works such as encyclopaedias 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."

2. The separation of collections from derivative works seems justified since they are not of the same nature as derivative works mentioned in paragraph (3). The element of intellectual creation – originality which is a requirement for the protection of collections as works is not expressed in the same way as it is in the transformation of pre-existing works (as in the case of derivative works). Collections leave the works included in them intact; the basis for their protection as works is that "by reason of the selection and arrangement of their contents, [they] constitute intellectual creations."

3. The collections – encyclopaedias, anthologies, collections of professional studies, etc. for of which paragraph (5) specifies protection, are collections of literary and artistic works. Since, however, the intellectual creation manifested in a collection protected under this provision is independent from the intellectual creative elements, and thus the copyright protection, of the works selected for and arranged in it, it certainly cannot be a further condition that those works also enjoy protection. Collections of works never protected – for example, in the absence of treaty obligations; or ancient works from the times where no copyright protection existed, and of works having fallen into the public domain for any reason whatsoever, also enjoy protection under this provision, if they are intellectual creations for the reason mentioned. The phrase "without prejudice to the copyright in each of the works forming part of such collections" at the end of the paragraph should be understood accordingly; it only relates to works which, still, enjoy copyright protection.

4. It follows from what is discussed in the preceding paragraph that collections not containing literary and artistic works – such as databases consisting in compilations of mere data -- are not protected under paragraph (5). Since, however, the creativity of collections under this paragraph is independent from the works which form parts of them, and since it consist exclusively in the selection and arrangement of their contents – that is, since selection and arrangement alone are recognized as a basis for the protection of such a production as a work it would hardly be a defensible position to exclude from copyright protection those collections which represent intellectual creation, on the basis of the original selection and arrangement of their contents, just because their contents separately do not enjoy copyright protection. Although they are not protected under paragraph (5) of Article 2, since they do not contain literary and artistic works, they must be protected under paragraph (1) of the same Article, since under it all productions – all original creations – in the literary and artistic domains must be protected as works. (This is the reason for which the provision in Article 5 of the WCT, as well as the one in Article 10.2 of the TRIPS Agreement (see below), should be regarded as mere clarification of the obligation to protect also such collections/compilations as works.

5. It is also on the basis of paragraph (1) of Article 2 of the Convention that the question of how the word “and” ” should be understood in the expression “selection and arrangement in paragraph (5) of the Article may be duly answered. The question is more precisely whether both an original nature of the selection and an original nature of the arrangement of the contents are needed in order that a collection may be recognized as a work protected by copyright. Under paragraph (1), any production (any intellectual creation) qualifies as a protected work irrespective for what reason it is original. Consequently, if a collection is only original due to the selection of its contents or due to the arrangement thereof, this originality is sufficient for its copyright protection. Therefore, in paragraph (5), the word “and” in the expression “selection and arrangement” should be understood as “and/or”. Nevertheless, in Article 5 of the WCT, as well as in Article 10.2 of the TRIPS Agreement, the word “or” appears, and in that way, the text is clearer.

TRIPS Agreement

6. Article 10.2 of the TRIPS Agreement provides as follows: “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."

7. It is to be noted that this provision of the TRIPS Agreement provides that compilations of data and other material must be protected "as such." It is not said that such compilations must be protected as works. But this can be assumed since the provision appears in that part of the Agreement which deals with copyright (rather than related rights).

8. This assumption can also be based on the fact that the provision uses some basic elements of the language of Article 2(5) of the Berne Convention. It is a kind of adapted version of the latter, but the key words -- "which, by reason of the selection [and] [or] arrangement of their contents, constitute intellectual creations, shall be protected as such" -- are the same. This seems to be a sufficiently clear indication that what is meant under Article 10.2 of the TRIPS Agreement is the same as what is meant under Article 2(5) of the Berne Convention, namely that these "intellectual creations" are to be protected as works under the Berne Convention, and, because no specific status of such works is referred to, they are to be protected under the general provisions of the Convention concerning "literary and artistic works."

9. The "contents," the selection and/or arrangement of which may constitute "intellectual creations," are different in the two provisions: in the case of Article 2(5) of the Berne Convention, the contents must be "literary and artistic works," while, in the case of Article 10.2 of the TRIPS Agreement, the contents are "data or other material." This does not seem to mean, however, that the latter provision provides for the protection of productions that are not protected under the Berne Convention. In the case of collections or compilations, it is not their contents which is the subject matter of protection but the intellectual creation consisting of the selection and/or arrangement of the contents. As pointed out above, since, under Article 2(1) of the Berne Convention, every production in the literary, scientific and artistic domain is protected as a literary and/or artistic work, any production consisting of the original selection of data and/or other material not protected by copyright (the same kind of creation as the one in respect of which Article 2(5) of the Berne Convention clarifies that it is also protected as a literary and/or artistic work) is also protected -- although not under Article 2(5), but under Article 2(1) of the Berne Convention -- as a literary and/or artistic work.

10. Consequently, as far as compilations of data and other material are concerned, there seems to be no substantive difference between the requirements of the TRIPS Agreement and the Berne Convention, notwithstanding the fact that there are differences between the texts of the said Agreement and Convention in this respect.

WIPO Copyright Treaty (WCT)

11. Article 5 of the WCT, under the title "Compilations of Data (Databases)" provides as follows: "Compilations of data or other material, in any form, which by reason of the selection or arrangement of their contents constitute intellectual creations, are protected as such. This protection does not extend to the data or the material itself and is without prejudice to any copyright subsisting in the data or material contained in the compilation.". The diplomatic conference adopted the following agreed statement concerning this provision: "The scope of protection for compilations of data (databases) under Article 5 of this Treaty, read with Article 2, is consistent with Article 2 of the Berne Convention and on par with the relevant provisions of the TRIPS Agreement."

12. In the Committee of Experts which was working on what became the WCT, there was quite general agreement that collections of mere data or other unprotected material should be protected by copyright in the same way as collections of literary and artistic works, provided there was originality in the selection or arrangement of the data or other material. It was found that compilations of works were already protected as collections under Article 2(5) of the Berne Convention, while those compilations of data or other unprotected material which -- due to the selection or arrangement thereof -- are original should be protected as literary or artistic works under Article 2(1) (which includes a non-exhaustive list of protected works, under which all original productions in the literary and artistic domain should be protected).

13. The TRIPS Agreement was adopted in April 1994 and had an impact on the way the question of the protection of databases was further discussed in the Committee of Experts. The working paper prepared for the Committee for its first session after the adoption of the TRIPS Agreement referred to the provision of Article 10.2 of the Agreement, and, in harmony with that, proposed the inclusion of the same kind of provision in the treaty under preparation.

14. It is to be noted that the above-quoted provision in Article 10.2 of the TRIPS Agreement covers both collections of works mentioned in Article 2(5) of the Berne Convention and compilations of data and other non-protected material which "by reason of the selection or arrangement of their contents constitute intellectual creations," that is, which are, by such a reason, original (and, thus, although not covered by paragraph (5) of Article 2 of the Convention, are supposed to enjoy protection under the general provisions of paragraph (1) of the same Article). Since Article 2(5) of the Berne Convention is already incorporated into the Agreement by Article 9.1 of the Agreement (in the sense that it is an obligation to comply with it), it would have been sufficient to include an interpretative provision on the copyright protection of databases in the narrower sense as mentioned above. The fact that it did not happen in that way, of course, does not create any substantive problem; it only led to some redundancy.

15. The language of Article 2(5) of the Berne Convention and Article 10.2 of the TRIPS Agreement slightly differs. The former speaks about the "selection and arrangement" of the contents on the basis of which a collection may constitute an intellectual creation, while the latter, in this context, refers to the "the selection or arrangement" of the contents. However,

as discussed, above concerning Article 2(5) of the Berne Convention, in substance, this does not mean any difference; in the Berne language, the word "and" is an "and/or" type "and."

16. The protection of "compilations" under Article 10.2 of the TRIPS Agreement (as well as that of "collections" under Article 2(5) of the Berne Convention) only extends to those compilations/collections which, due to the selection or arrangement of their contents, are original (and thus they are "intellectual creations"). This means that there is no obligation to provide, under these provisions, for that kind of sui generis system for the protection of non-original databases which are provided for in the Databases Directive of the European Community (see below).

17. Two important clarifications are included in the second sentence of Article 10.2 of the TRIPS Agreement. First, it is clarified that the protection of compilations is without prejudice to any copyright subsisting in any element of their contents (that is, those elements continue enjoying copyright protection independently from the protection of the compilations). This is in accordance with Article 2(5) of the Berne Convention, which also provides that the protection of collections is "without prejudice to the copyright in each of the works forming part of such selections." Second, the second sentence explicitly states that the protection granted for compilations does not extend to the data or material contained in them. That is, if they are not protected by copyright, they do not obtain copyright protection themselves just because they are included in compilations protected by copyright.

18. Although during the preparatory work of the WCT, some other options were also discussed, finally the diplomatic conference favored the adoption of the TRIPS text. This was due to the fact that this was a thoroughly negotiated text, and certain delegations were particularly keen in making sure that the corresponding provision in the WCT should not lead to a different legal situation.

19. Nevertheless, the text of Article 5 is not exactly the same as that of Article 10.2 of the TRIPS Agreement. One of the differences is that, while the former speaks about compilations "in machine readable and other form," the latter uses the more general term "in any form". In substance, however, this seems to mean the same coverage of compilations. This is so since "in machine readable and other form" also means machine readable form plus any other form, which together cannot mean anything other than "in any form." (It is to be noted that, in fact, the explicit reference to machine readable form is a useful clarification in the TRIPS version, which fortunately is not lost in the context of the WCT. Due to the clear -- and, through the agreed statement concerning the WCT, also explicitly expressed -- intention of the diplomatic conference to apply Article 5 of the WCT with the same coverage as that of Article 10.2 of the TRIPS Agreement, this clarification is also relevant in the application of the WCT.)

20. The second difference between the two provisions is that Article 5 of the WCT simply declares that the collections mentioned in it are protected, while Article 10.2 of the TRIPS Agreement uses "shall" language. As regards the obligations of the Contracting Parties of the WCT and the Members of WTO, respectively, the differing language does not mean any substantive difference. On the basis of Article 5 of the WCT, however, it is clearer that, in comparison with the existing provisions of the Berne Convention, no new obligation is involved.

SUI GENERIS PROTECTION OF DATABASES

The failure of a WIPO draft treaty at the1996 diplomatic conference

21. In addition to the draft WCT and the draft WPPT, also a third draft treaty -- the Draft Treaty on Intellectual Property in Respect of Databases -- had been submitted to the Diplomatic Conference. It included regulation on a *sui generis* protection system for the makers of databases, more or less along the lines of the EC Database Directive (see below), but, in certain alternatives – in particular, those concerning the terms of protection -- it also reflected some elements of the proposal of the United States of America presented at the last joint sessions of the Berne Protocol and New Instrument Committees (the United States proposed a 25 year term of protection rather than a 15 year term as under the EC Directive).

22. On the basis of the comments made at the Plenary it became clear that there was not yet sufficient support for such a draft treaty. Thus, when, at the beginning of the first session of Main Committee I, the Chairman suggested that, first the draft WCT and the draft WPPT be discussed, and then "[t]ime might be reserved for the third treaty after having discussed the first two treaties", there was quite a general understanding, that, in all probability, that third draft treaty would not be discussed really in substance, irrespective of the time that might be available. In fact, however, as it happened, all the three weeks of the Diplomatic Conference were truly needed for reaching agreement on the two other treaties, and also that only in a way that it was possible to adopt them on the last day just a few minutes before midnight.

23. At the last session of the Plenary, when the time available until midnight could not have been reasonably calculated in minutes any more, but rather in seconds only, the Diplomatic Conference reverted again briefly to the issue of the third treaty, and adopted a Recommendation on "the convocation of an extraordinary session of the competent WIPO Governing Bodies during the first quarter of 1997 to decide on the schedule of further preparatory work on a Treaty on Intellectual Property in Respect of Databases."

24. The Recommendation – along with the Resolution on "audiovisual performances" -- was discussed by an extraordinary session of the "competent WIPO Governing Bodies", namely the General Assembly of WIPO and the Assembly of the Berne Union, in March 1997. It was obviously the sign of a much lowest level of interest of the delegations in this issue that, while the Assemblies decided that, for the consideration of the "protocol" on "audiovisual performances" a Committee of Experts be convened, in the case of databases, they found sufficient to only convene an Information Meeting".

25. The Information Meeting on Intellectual Property in Databases took place in September 1997. The meeting discussed a working paper prepared by the International Bureau of WIPO on "Existing national and regional legislation concerning intellectual property in databases", and another one containing "Information received from Member States of WIPO and from the European Community and its Member States concerning intellectual property in databases".

26. The Information Meeting did not make a real progress towards some kind of agreement on international norms on a *sui generis* protection system for databases. It only instructed the International Bureau to collect and distribute further information on this issue.

27. The issue of the protection of databases has been on the agenda of all the eighth sessions of the WIPO Standing Committee on Copyright and Related Rights (SCCR) so far held, except for the forth – extraordinary session – dealing exclusively with the issue of the protection of "audiovisual performances", but so far no substantive progress has been made.

28. At the fifth session of the SCCR held in May 2001, the issue was still in the stage of collecting information. It was noted that the SCCR requested a study "on the economic impact and consequences of database protection, with particular emphasis on effects in developing and least developed countries, which should include not just the economic aspects, but also the social consequences, the impact on science, teaching, research, etc."

29. At the eighth session of the SCCR in November 2002, five studies were presented on the economic impact of the protection of databases. The studies were noted and were found useful, but the Chairman on the basis of the brief discussion had to conclude that "more time was needed to allow the delegations to benefit fully from the WIPO studies".

The Database Directive of the European Union

30. Although there are some isolated examples for *sui generis* protection of databases also in certain other countries (such as Mexico), the most important regulation on such protection is contained in Directive 96/9/EC of the European Parliament and of the Council of 11 March 1996 on the legal protection of databases (Database Directive). It has its importance in particular in the fact that it has been implemented ("transposed") not only by the present 15 member countries of the European Union but also several Central and Eastern European countries which are candidates to accede to the Union. Therefore, in the rest of the paper, the main features of that directives are presented.

31. Legal nature of the rights granted. The Database Directive includes in its Chapter III provisions on the *sui generis* protection of databases. (Chapter II of the Directive deals with the copyright protection of databases, while certain provisions, relating to both databases subject to copyright protection and databases subject to *sui generis* protection of databases, are contained in Chapters I and IV of the Directive.)

32. Recitals (38) and (39) of the Preamble of the Directive indicates the reasons and objectives of granting such *sui generis* rights: "(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."

33. Subject matter of protection. Article 1(1) of the Directive clarifies that it deals the legal protection of databases "in any form." Recital (14) of the Preamble indicates that "protection under this Directive should be extended to cover non-electronic databases." The definition of "database" is contained in Article 1(2) according to which 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." Furthermore, Article 1(3) provides that protection under the Directive shall not apply to computer programs used in the making or operation of databases accessible by electronic means.

34. Under Article 7 of the Directive, *sui generis* rights are granted for databases for which the maker "shows that there has been qualitatively and/or quantitatively a substantial investment in either the obtaining, verification or presentation of the contents." Recital (40) of the Preamble adds the clarification which states that "such investment may consist in the deployment of financial resources and/or the expending of time, effort and energy." Recital (19) clarifies that, as a rule, the compilation of several recordings of musical performances on a CD does not represent a substantial enough investment to be eligible under the *sui generis* right.

35. Ownership. By virtue of Article 7(1) of the Directive, the original owner of the rights is "the maker of a database." According to recital (41), "the maker of a database is the person who takes the initiative and the risk of investing," and "this excludes subcontractors in particular from the definition of maker."

36. Rights to be granted. Under 7(1) the rights are granted "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." Article 7(2) contains defines of the specific terms used in this provision, according to which "(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"; and "(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." It is added that "public lending is not an act of extraction or re utilization." Furthermore, Article 7(5) states that "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."

37. Article 7(3) states that the *sui generis* rights may be transferred, assigned or granted under contractual license.

38. Rights and obligations of lawful users. Article 8(1) provides that "[t]he 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." However, under Article 8(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," and he "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 8(3)).

39. Exceptions and limitations. Article 9 of the Directive, in respect of databases which have been made available to the public in whatever manner, allows extraction or re-utilization of substantial parts thereof: "(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; and (c) in the case of extraction and/or re-utilization for the purposes of public security or an administrative or judicial procedure." Recital (50) califiess that "such operations must not prejudice the exclusive rights of the maker to exploit the database and their purpose must not be commercial," and recital (51) dds that “the Member States, where they avail themselves of the option to permit a lawfiil 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 institutions."

40. Recital (52) is also relevant from this viewpoint since it states that "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 concenied, the exceptions traditionally specified by such rules." It is also be to noted that recital (47) clarifies that "in the interests of competition between suppliers of information products and services, protection by the *sui generis* rights 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." It states that, "therefore, the provisions of this Directive are without prejudice to the application of Community or national competition rules."

41. Duration of Protection. Under Article 10(1) of the Directive, the term of protection of the *sui generis* rights is 15 years from January 1 of the year following the date of completion of the making of the database. Paragraph of the same Article 10 extends the protection of databases that have been made available to the public before the expiry of the term, provided for in paragraph (1), till 15 years from the year of the first making available to the public. Paragraph (3) provides as follows: "Any substantial change, evaluated qualitatively or quantitatively, to the contents of a database, including any substantial change resulting frorn 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."

42. Relation with copyright and possible other rights. The relationship between copyright protection and the *sui generis* right is dealt with in Article 7(4) which states that “the [*sui generis* rights] 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 *sui generis* rights] shall be without prejudice to rights existing in respect of their contents." Recital (45) also points out that "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," and recital (46) clarifies that "the existence of a right to prevent the unauthorized extraction and/or reutilization 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."

43. Article 13, in relation to both copyright protection and the *sui generis* right under the Directive, states that "[the] 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."

44. Beneficiaries of Protection. Under Article 11(1) and (2) of the Directive, [the *sui generis* rights] "shall apply to databases whose makers or rightholders are nationals of a Member State or who have their habitual residence in the territory of the Community," and 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." Article 11(3) authorizes the Council, acting on a proposal from the European Commission, to conclude agreements extending the *sui generis* protection to databases made in third countries, which are not protected under the first two paragraphs of that Article. The Directive clarifies in that respect, that the term of any protection extended to databases by virtue of that procedure shall not exceed that available pursuant to Article 10, referred to above. Furthermore, recital (56) implies that agreements extending the protection should be concluded "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."

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