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INFORMATION MEETING ON INTELLECTUAL PROPERTY IN DATABASES

Geneva, September 17 to 19, 1997

EXISTING NATIONAL AND REGIONAL LEGISLATION CONCERNING INTELLECTUAL PROPERTY IN DATABASES

Memorandum prepared by the International Bureau

I. INTRODUCTION

1. The WIPO Diplomatic Conference on Certain Copyright and Neighboring Rights Questions which took place in Geneva from December 2 to 20, 1996, had among its documents a Basic Proposal for the Substantive Provisions of the Treaty on Intellectual Property in Respect of Databases to be Considered by the Diplomatic Conference (document CRNR/DC/6), but the conference did not discuss that document. The Conference, did, however, adopt a Recommendation concerning Databases (document CRNR/DC/100) with the following text:

> "The Delegations participating in the Diplomatic Conference on Certain Copyright and Neighboring Rights Questions in Geneva,
>
> "*Recognizing* that databases are a vital element in the development of a global information infrastructure;
>
> "*Conscious* of the importance of encouraging further development of databases;
>
> "*Aware* of the need to strike a balance between the interests of the producers of databases in protection from unfair copying and the interests of users in having appropriate access to the benefits of a global information infrastructure;
>
> "*Expressing interest* in examining further the possible implications and benefits of a *sui generis* system of protection of databases at the international level;
>
> "*Noting* that a treaty on such a *sui generis* system was not negotiated or adopted at the Conference;
>
> "*Recommend* 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."

2. The Recommendation (and the Resolution concerning Audiovisual Performances also adopted by the Diplomatic Conference) was discussed at the thirtieth series of meetings of the Governing Bodies of WIPO, namely the General Assembly of WIPO, the WIPO Coordination Committee and the Assembly of the Berne Union, in Geneva on March 20 and 21, 1997.

3. The Governing Bodies took, *inter alia*, the following decisions (document AB/XXX/4, paragraph 20):

> "(i) A Committee of Experts on the protocol concerning audiovisual performances will be convened for September 15 and 16, 1997, and an Information Meeting concerning intellectual property in databases will be convened for September 17 and 18, 1997. September 19, 1997, will be reserved for the adoption of the reports of both the Committee of Experts and the Information Meeting.

"(ii) The International Bureau will, separately for each of the two subjects, prepare a document on the existing national and regional laws and regulations. Furthermore, the International Bureau will invite the Governments of the Member States of WIPO and the European Community by circular to communicate to it in writing information on the *de facto* situation, particularly contractual practices, existing in their respective countries, as well as any statistics."

4. The present document examines national and regional legislation in respect of databases in the Member States of WIPO, and in the European Community, with the exception of a few countries where the laws, or recent amendments, were not available at the International Bureau in any of the working languages of WIPO at the time when the document was prepared. Since the existing norms at the international level may—and in many cases do—have direct or indirect relevance for national and regional legislation, those norms are also reviewed briefly.

II. COPYRIGHT PROTECTION OF DATABASES

A. International Norms

5. Article 2(5) of the *Berne Convention* ("Berne Convention for the Protection of Literary and Artistic Works") provides as follows: "Collections of literary and artistic works such as encyclopaedias and anthologies which, by reason of the selection and arrangements 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." The provision only states that such collections shall be protected as such; it does not indicate any specific category of works to which the level of protection shall be assimilated. Accordingly, it should be assumed that the level of protection to be granted is that which, in general, is granted for literary and artistic works under the Berne Convention.

6. The said provision in Article 2(5) of the Berne Convention limits its scope to original collections of literary and artistic works. This does not mean, however, that there is no basis in the Berne Convention for the protection of original collections of other material, such as mere data.

7. Such basis can be found in Article 2(1) of the Berne Convention, which states, *inter alia*, that "[t]he expression 'literary and artistic works' shall cover every production in the literary, scientific and artistic domain, whatever may be the mode or form of its expression." While the list of categories of works that follows the sentence just quoted does not include databases, it is clear that the list is not exhaustive, and that every (original) production in the above-mentioned domain must be protected under the Convention. In recent years, a general consensus seems to have emerged that collections of material other than literary and artistic works are indeed covered by the said provision and are thereby subject to copyright protection under the Berne Convention, provided, of course, that they can be considered "works," that is, that they are original.

8. That understanding was expressed during the preparation of the WIPO Diplomatic Conference on Certain Copyright and Neighboring Rights Questions, namely at the fourth session of the Committee of Experts on a Possible Protocol to the Berne Convention (Geneva, December 5 to 9, 1994), where, when discussing the possibility of including in such a protocol (which became eventually the WIPO Copyright Treaty) an explicit provision on copyright protection of original databases, a clear majority of the delegations took the view that such provisions were of a declaratory nature (see document BCP/CE/IV/3, paragraph 46).

9. An explicit provision on the protection of databases was included in Article 10(2) of the *TRIPS Agreement* ("Agreement on Trade-Related Aspects of Intellectual Property Rights") which was concluded in Marrakesh, on April 15, 1994. That provision states 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."

10. The *WIPO Copyright Treaty (WCT)* which was adopted in Geneva on December 20, 1996, contains in its Article 5 a provision on copyright protection of databases, which, 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 also adopted, by consensus, the following agreed statement: "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 a par with the relevant provisions of the TRIPS Agreement." Article 2 of the WCT, to which the agreed statement refers, states, under the heading "Scope of Copyright Protection," as follows: "Copyright protection extends to expressions and not to ideas, procedures, methods of operation or mathematical concepts as such."

B. Regional Legislation

11. The Decision No. 351 of the *Cartagena Agreement* containing "Common Provisions on Copyright and Neighboring Rights" was concluded on December 17, 1993, between *Bolivia, Colombia, Ecuador, Peru* and *Venezuela* and it entered into force on December 21, 1993.

12. Article 4 of Decision 351 contains a non-exhaustive list of categories of works which the Member Countries are obliged to protect, and item (ll) of that list reads as follows: "anthologies or compilations of assorted works and also databases, which, by the selection and arrangement of their contents, constitute personal creations." This is further clarified in Article 28 which provides as follows: "Databases shall be protected insofar as the selection or arrangement of the contents constitute an intellectual creation. The protection granted shall not extend to compiled data or information, but it shall not affect any rights subsisting in the works or material constituting the said database."

13. The rights granted by the Decision in respect of databases include moral rights (Article 11) and rights of reproduction, communication to the public, distribution of copies to the public, importation of unauthorized copies and translation, adaptation, arrangement or other transformation of the work (Article 13). In this respect, the Decision does not distinguish between databases and other categories of works. It does, however, specify, in Article 15—which clarifies the contents of the right of communication to the public—that that right also includes "public access to computer databases by means of telecommunication, insofar as the said databases incorporate or constitute protected works." In addition, the Decision contains a transitory provision, specifically relating to, *inter alia*, databases according to which they shall enjoy protection by copyright even where they have been created prior to the date of entry into force of the Decision.

14. The *NAFTA Agreement* ("North American Free Trade Agreement between the Government of Canada, the Government of the United Mexican States and the Government of the United States of America") was concluded on December 8, 1993, and entered into force on January 1, 1994.

15. Article 1705(1) of the NAFTA Agreement obliges the parties to protect the works covered by Article 2 of the Berne Convention, "including any other works that embody original expression within the meaning of that Convention." The provision adds that this includes *inter alia*, "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."

16. As regards the rights in works, Article 1705(2) refers to the rights granted under the Berne Convention. There are no specific provisions relating to rights in databases.

17. The Database Directive of the *European Communities* ("Directive 96/9/EC of the European Parliament and of the Council of 11 March 1996, on the legal protection of databases") is binding for the 15 countries of the European Union, that is *Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden and United Kingdom*, which are obliged to implement its provisions in their national legislation before January 1, 1998. The provisions of the Directive also apply as regards the countries of the European Economic Area which comprise, in addition to the countries of the European Union, *Iceland, Liechtenstein* and *Norway*.

18. The Directive contains in its Chapter II (Articles 3 to 6) a number of specific provisions dealing with the copyright protection of databases. Further provisions, relating to both databases subject to copyright protection and databases subject to a *sui generis* protection of databases, are contained in Chapters I and IV of the Directive (Articles 1 and 2, and 12 to 17). Those provisions of the Directive which relate to the *sui generis* right are discussed later in this document.

19. Article 1(1) of the Database Directive states that it concerns the legal protection of databases "in any form." This is clarified in consideration (14) of the Preamble which states that "protection under this Directive should be extended to cover non-electronic databases." A further clarification is given in the definition of the term "database" in Article 1(2) which 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." In addition to that

definition, 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, and consideration (20) states that protection under the Directive may also apply to the materials necessary for the operation or consultation of certain databases, such as thesaurus and indexation systems. The definition is further elaborated by consideration (21) which clarifies that the condition that the contents of the database are arranged systematically or methodically does not necessitate that it is physically stored in an organized manner. It is also clarified, in consideration (22), that the term "electronic database" within the meaning of the Directive also may include devices such as CD-ROM and CD-i.

20. In its provisions dealing specifically with copyright protection of databases, the Directive states that "[i]n 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." It is added, in consideration (15), that copyright protection "should cover the structure of the database," and, in consideration (16), as regards the criteria of originality, that "in particular no aesthetic or qualitative criteria should be applied." Further clarification is offered in consideration (19), according to which, as a rule, the compilation of several recordings of musical performances on a CD does not, as a compilation, meet the conditions for copyright protection.

21. Article 3(2) of the Directive states that the copyright protection of databases provided by the Directive "shall not extend to their contents and shall be without prejudice to any rights subsisting in those contents themselves." This is clarified, partly by consideration (15) which states, *inter alia*, that the protection should cover the structure of the database, and partly by consideration (18) which clarifies, with regard to copyright protection, that the 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." Furthermore, consideration (26) reads as follows: "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 rightholder or his successors in title," and consideration (27) reads as follows: "Whereas copyright in such works and related rights in subject matter thus incorporated into a database 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."

22. The question of authorship of databases is dealt with in Article 4 of the Database Directive, which states in paragraph (1) that "[t]he 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." Paragraphs (2) and (3) contain specific provisions regarding collective works and databases created by a group of natural persons jointly. The question of ownership of rights in cases where databases are created by employed authors is not addressed in the rules of the Directive. Consideration (29) explains that this issue is left to the discretion of the Member States. Therefore, nothing in the 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

(consideration (29)). As regards the moral rights of the natural person who creates a database, consideration (28) contains a reference to national legislation in the Member States and to the Berne Convention, and it states that "such moral rights remain outside the scope of this Directive."

23. Article 5 of the Directive provides that authors of databases which are protected by copyright 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 European Community of a copy of the database by the rightholder or with his consent exhausts the right to control resale of that copy within the Community); (d) any communication, display or performance to the public; and (e) any reproduction, distribution, communication, display or performance to the public of the results of the acts referred to in (b). The scope of certain of these rights is clarified in consideration (33) which states that "[w]hereas 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 rightholder; 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."

24. Exceptions to these rights are allowed in Article 6, of which paragraph (1) deals with the access to the contents of the database and their use. It reads as follows: 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." Consideration (34) specifies that this applies 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. It further states that the 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 rightholder, even if such access and use necessitate performance of otherwise restricted acts." Article 13 provides that any contractual provision contrary to Article 6(1) shall be null and void.

25. Further specific exceptions from the rights are embedded in Article 6(2) which allows national legislation to provide for limitations as regards: (a) reproduction for private purposes of a non-electronic database; (b) 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; and (d) where other exceptions to copyright which are traditionally authorized under national law are involved, without prejudice to points (a), (b) and (c). Paragraph (3) of that Article underlines that "[i]n accordance with the Berne Convention for the Protection of Literary and Artistic Works, this Article may not be interpreted in such a manner which unreasonably prejudices the rightholder's legitimate interests or conflicts with normal exploitation of the database." Some clarification of these provisions are offered in, *inter alia*, consideration (36) which states that

the term “scientific research” within the meaning of the Directive covers both natural sciences and human sciences, and consideration (37) which states that Article 10(1) of the Berne Convention (on quotations) is not affected by the Directive.

C. National Legislation

26. An examination of the national copyright legislation in the member States of WIPO shows that most copyright laws, indeed almost all, include explicit provisions on copyright protection of collections of literary and artistic works, such as encyclopaedias and anthologies. Such explicit provisions appear in the legislation of *Algeria, Andorra, Angola, Armenia, Australia, Austria, Bahrain* (limited to compilations of unprotected works, such as court decisions, laws, etc.), *Bangladesh, Barbados, Belarus, Bhutan, Bolivia, Bosnia and Herzegovina, Brazil, Brunei Darussalam, Bulgaria, Burkina Faso, Burundi, Cambodia, Cameroon, Canada, Central African Republic, Chile, China, Colombia, Congo, Costa Rica* (the explicit provision is limited to collections of poems and popular songs), *Côte d’Ivoire, Croatia, Cuba, Cyprus, Czech Republic, Democratic Republic of the Congo, Denmark, Ecuador, Egypt, El Salvador, Estonia, Finland, France, Gabon, Gambia, Georgia, Germany, Ghana, Greece, Guatemala, Guinea, Haiti, Holy See, Honduras, Hungary, Iceland, India, Indonesia, Iraq, Ireland, Israel, Italy, Japan, Jordan, Kazakstan, Kenya, Kyrgyzstan, Latvia, Lebanon* (the explicit provision is limited to collections of works in the public domain), *Lesotho, Libya, Liechtenstein, Lithuania, Luxembourg, Madagascar, Malawi, Malaysia, Mali, Malta, Mauritius, Mexico, Mongolia, Morocco, Namibia, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Oman, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Republic of Korea, the Republic of Moldova, Romania, Russian Federation, Rwanda, Saint Vincent and the Grenadines, Saudi Arabia, Senegal, Sierra Leone, Singapore, Slovenia, South Africa, Spain, Sri Lanka, Sudan, Sweden, Switzerland, Tajikistan, Thailand, Togo, Tunisia, Turkey, Turkmenistan, Uganda, Ukraine, United Arab Emirates, United Kingdom, United Republic of Tanzania, United States of America, Uzbekistan, Venezuela, Viet Nam, Yugoslavia, Zambia* and *Zimbabwe.*

27. It should be noted that the absence of explicit provisions does not necessarily imply that such collections of works are not protected, as this may follow from an interpretation of other provisions, notably the general provisions on works to be protected.

28. It is also clear that, when a national law does not contain provisions concerning copyright protection of collections or compilations of subject matter other than works, this could not be taken automatically to mean that such collections or compilations do not enjoy any copyright protection at all. This is particularly, but not exclusively, so in the countries party to the Berne Convention, because those countries have undertaken to grant protection to works under the provision in Article 2(1) of the Berne Convention. Accordingly, the interpretation of that provision, discussed in paragraph 7, above, should apply in the national legislation of those countries.

29. A review of the legislation of the Member States of WIPO shows that specific provisions regarding copyright protection of collections or compilations of subject matter other than works, such as databases, exist in the laws of *Argentina, Armenia, Bahrain, Belarus, Bosnia and Herzegovina, Bulgaria, Canada, China, Costa Rica, Croatia, Dominican Republic, El Salvador, Estonia, Germany, Greece, Hungary, India, Japan, Kazakstan, Kenya, Kyrgyzstan, Latvia, Madagascar, Malta, Mexico, New Zealand, Niger, Oman, Panama, Peru, Poland, the Republic of Moldova, Romania, Russian Federation, Slovenia, Spain, Thailand, Turkey, Ukraine, United States of America, Uzbekistan* and *Venezuela*.

30. Furthermore, in certain countries, the general wording of the provisions dealing with the protection of collections or compilations, or the provisions enumerating categories of protected works, seems to indicate that they are so broadly conceived that they can be interpreted as covering also such databases, because compilations or collections are mentioned in general, without restriction to compilations or collections of works. General provisions of this kind are included in the laws of *Australia, Austria, Bangladesh, Chile, Czech Republic, Ecuador, Gambia, Ghana, Guatemala, Ireland, Israel, Malawi, Malaysia, Mauritius, Mongolia, Pakistan, Qatar, Republic of Korea, Senegal, Sierra Leone, Singapore, Switzerland, Philippines, Uganda, United Arab Emirates, United Kingdom, Viet Nam, Zambia* and *Zimbabwe.*

31. Most of the laws in the countries which provide for copyright protection of collections or compilations indicate that the protection is limited to collections that are original. The wording of this requirement varies, but the most common tendency is to follow completely, or with insignificant variations, the wording of Article 2(5) of the Berne Convention, that is, that to be protected such collections must, "by reason of the selection or arrangement of their contents, constitute intellectual creations." This is the case in the laws of *Algeria, Andorra, Angola, Barbados, Belarus, Bolivia, Bosnia and Herzegovina* (as regards collections of works), *Brazil, Burundi, Cameroon, Canada, Central African Republic, China* (as regards compilations of material other than works), *Congo*, *Côte d'Ivoire*, *Croatia* (as regards collections of works), *Cuba, Cyprus, Democratic Republic of the Congo, El Salvador, Gabon, Germany, Greece, Guatemala, Guinea, Honduras, Japan, Jordan, Kazakstan, Kenya, Latvia, Lesotho, Luxembourg, Malawi, Malaysia, Mali, Mexico, Morocco, Nicaragua, Niger, Nigeria, Oman, Panama, the Philippines, Portugal, Republic of Korea, Romania, Russian Federation, Rwanda, Saint Vincent and the Grenadines, Saudi Arabia, Senegal* (as regards collections of works), *Spain, Sri Lanka, Switzerland, Tunisia, Uzbekistan, Venezuela* and *Yugoslavia* (as regards collections of works).

32. Certain laws add supplementary criteria to those mentioned above (that is, selection and arrangement), such as the coordination of the contents (*Egypt, Peru, Slovenia, Ukraine* and *the United States of America*), composition (*Poland*), or the method of presentation of the material *(Bosnia and Herzegovina, Croatia* and *Yugoslavia*).

33. The national laws of some other countries provide for more general criteria such as that the compilation must be a creation of the mind (*France*), original intellectual creation (*Austria*), personal and original creation (*Ecuador*) or self-contained creation (*Holy See* and

Italy), must be characterized by its creativity or by any other personal effort (*Armenia, Bahrain, Egypt, Iraq, Jordan, Libya, Sudan, Qatar* and *United Arab Emirates*), must be the result of independent efforts (*Ghana*) or must not be an imitation of the work of another person (*Thailand*).

34. Finally, a number of countries do not indicate any specific criteria, apart from those generally applicable under copyright law, namely that the compilation or collection should constitute a work. This is the case in the laws of *Australia, Bangladesh, Brunei Darussalam, Bulgaria, Chile, Denmark, Estonia, Finland, Gambia, Georgia, Haiti, Hungary, India, Ireland, Israel, Kyrgyzstan, Liechtenstein, Lithuania, Madagascar, Malta, Mauritius, Namibia, the Netherlands, New Zealand, Norway, Pakistan, Paraguay, the Republic of Moldova, Senegal* (as regards "statistical writings"), *Sierra Leone, Singapore, South Africa, Sweden, Tajikistan, Togo, Turkey, Turkmenistan, Uganda, United Kingdom, United Republic of Tanzania, Zambia and Zimbabwe.*

35. As it appears from the above description, the analysis of the general concept of "work," and related concepts such as "originality," "creativity," "independent effort" and "personal effort" would be necessary in order to describe with a greater precision which collections and compilations are protected by copyright under the different national laws. Such an analysis, however, could not be based on the texts of the laws alone, since the full meaning of those concepts are determined through jurisprudence in each country. It is generally acknowledged that the countries party to the Berne Convention have a certain freedom in establishing the exact level of originality required for a production to be considered a work and it may be said that, in general, national laws of countries following the common law tradition tend to have a lower threshold of originality than those of countries following the civil law tradition.

III. *SUI GENERIS* PROTECTION OF DATABASES

A. International Norms

36. There are no international norms on *sui generis* protection of databases.

B. Regional Legislation

37. The Database Directive of the *European Communities* which is discussed as regards copyright protection of original databases in paragraphs 17 to 25, above, contains in its Chapter III provisions on *sui generis* protection of databases. Further 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 (Articles 1 and 2, and 12 to 17).

38. The reasons for, and the primary aims of the *sui generis* protection are explained in considerations (38) and (39) of the Preamble of the Directive which read as follows:

> "(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."

39. The object of protection under the *sui generis* rights is 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." This is clarified in consideration (40) which states that "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," and it adds that "such investment may consist in the deployment of financial resources and/or the expending of time, effort and energy." Further clarification is offered in consideration (19), according to which, 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. As regards the understanding of the term "database," the provisions discussed in paragraph 19, above, apply also in relation to the *sui generis* right.

40. The relation between copyright protection and the *sui generis* right is dealt with in Article 7(4) which states that "the [*sui generis* right] 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* right] shall be without prejudice to rights existing in respect of their contents." This is elaborated in consideration (45) according to which "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 in consideration (46), which states that "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." Also, consideration (18) states as follows: "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."

41. The relation to copyright protection—and other intellectual property rights, etc.—is also dealt with in Article 13 which, 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."

42. The rights granted are, according to Article 7(1), rights "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." Certain terms used in that provision are defined in Article 7(2) which states that, for the purposes of Chapter III: "(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." Consideration (43) clarifies that "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."

43. Other clarifications regarding the right of distribution, which form part of the right of re-utilization, seem to follow from consideration (33), which is quoted in paragraph 23, above.

44. Further clarification of the rights granted is offered by consideration (42) which reads as follows: "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." In addition, consideration (44) states that "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. Exceptions and limitations regarding the *sui generis* right are provided for, *inter alia*, in Article 7(2)(b) which, as regards the right of distribution that forms part of the right of re-utilization, states that "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."

46. As regards the position of the lawful user of a database, Article 8(1) states 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, according to 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)). Those provisions may be read in connection with consideration (42) which states as follows: "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." Article 15 provides that any contractual provision contrary to Article 8 shall be null and void.

47. Exceptions and limitations of a general nature are contained in Article 9 which, in relation to 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." Consideration (50) adds to this that "such operations must not prejudice the exclusive rights of the maker to exploit the database and their purpose must not be commercial," and consideration (51) clarifies that "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 institutions." Also, consideration (36) states that "the term 'scientific research' within the meaning of this Directive covers both the natural sciences and the human sciences."

48. Certain, more specific, limitations follow from consideration (52) which 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 concerned, the exceptions traditionally specified by such rules." It may also be noted in this context that consideration (47) states that "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." It adds that, "therefore, the provisions of this Directive are without prejudice to the application of Community or national competition rules."

49. The original owner of the right is, according to Article 7(1) "the maker of a database." To this, consideration (41) adds that "the maker of a database is the person who takes the

initiative and the risk of investing," and that "this excludes subcontractors in particular from the definition of maker." Article 7(3) states that the *sui generis* right may be transferred, assigned or granted under contractual licence.

50. The *sui generis* right runs, according to Article 10(1), from the date of completion of the making of the database until 15 years from January 1 of the year following the date of completion. In this respect, consideration (53) provides that "the burden of proof regarding the date of completion of the making of a database lies with the maker of the database." Paragraph (2) of that Article prolongs 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) states as follows: "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." It follows from consideration (54) that "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," and from consideration (55) that "a substantial new investment involving a new term of protection may include a substantial verification of the contents of the database."

51. The Directive does not contain detailed provisions concerning the enforcement of the protection, but Article 12 states that "Member States shall provide appropriate remedies in respect of infringements of the rights provided for in this Directive."

52. The beneficiaries of protection under the *sui generis* right is indicated in Article 11(1) and (2), according to which that right "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) mandates 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, consideration (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."

53. The provisions of the Directive shall be implemented into national legislation of the Member States before January 1, 1998 (Article 16(1)). The *sui generis* protection shall apply to all databases the making of which was completed not more than 15 years prior to the date referred to above, and which on that date fulfil the requirements for protection under the *sui generis* right.

C. National Legislation

54. Based on a survey of the national legislation of the Member States of WIPO, the International Bureau has identified provisions granting *sui generis* legal protection for databases which do not meet the criterion of originality in the following countries: *Denmark, Finland, Iceland, Mexico, Norway* and *Sweden*. To the extent the provisions of Denmark, Finland, Iceland, Norway and Sweden are identical (there are important similarities because they were prepared in a close regional cooperation), they will be referred to under one, as the "Nordic" legislation.

55. The survey does not cover legislation on unfair competition, but it should be noted that the protection under unfair competition rules may be useful in a number of cases relating to unauthorized use of non-original databases. The reason for which this document does not offer a description of protection through unfair competition rules is that those rules are very complex and they extend to a large body of law (in many countries, mainly case law) which goes much beyond the field where databases may be concerned. A detailed description may be found in WIPO publication No. 725 (E, R, F, S) entitled "Protection against Unfair Competition. Analysis of the Present World Situation." This publication is available, at request.

56. The provisions on *sui generis* protection of databases in the national legislation of the Nordic countries are concentrated in one short section of each of the respective copyright laws (*Denmark*, Section 71; *Finland*, Section 49; *Iceland*, Section 50; *Norway*, Section 43; and *Sweden*, Section 49).

57. The subject matter of the protection is indicated in the laws of *Denmark* and *Sweden* as "catalogues, tables and similar makes in which a great number of items of information have been compiled." The provisions in the laws of *Finland* and *Norway* are almost identical, but they add "programs" (meaning exhibition programs and the like, in *Denmark* and *Sweden* that word was deleted from the laws to avoid confusion with computer programs) and the Law of *Norway* also adds "formularis." The Law of *Iceland* is broader in that it covers "a published writing" to which copyright does not apply. Thereby, that Law also distinguishes itself from the other Nordic laws in that its scope of protection is limited to subject matter which is not subject to copyright protection. The corresponding provisions in the other Nordic laws expressly state that concurrent copyright protection (and, in the Law of *Denmark*, also any other protection) may be invoked. These laws do not establish any criteria of originality or the like, apart from the demand that a large number of items of information must have been compiled. This means that individual data and insignificant compilations do not enjoy protection. The Law of *Iceland* does not limit its application to collections, but it may be assumed that the expression "a published writing" also excludes protection of individual data.

58. The protection granted under the Nordic laws cover copying (in *Iceland*, reprint and copying) only. No protection is granted against other use, and the laws do not specify to which extent they are applicable as regards unauthorized extraction and copying of parts of protected compilations.

59. The limitations on or exceptions to the protection are established through references to the provisions in the laws regarding copyright, which apply *mutatis mutandis*. In this respect, the Law of *Iceland* refers to all the provisions in Chapter 2 of the Law which deals with exceptions and limitations, whereas the provisions of the other laws refer to a number of specified provisions. From these references, it follows that laws, regulations, court decisions and similar official documents are not subject to protection. (This may also be the case in *Iceland* even though the reference does not include that provision, because the exception regarding laws, etc. excludes "protection under this Law.") Otherwise, the limitations and exceptions differ to some extent between the laws, but the most important ones which apply in all the Nordic laws concern reproduction for private and personal use, certain reprographic reproduction, certain reproduction in libraries and archives, quotation, and use in court proceedings.

60. The original owner of the rights is indicated in the laws as "the maker," except for the Law of *Iceland*, where the original owner is not explicitly indicated. The laws also do not explicitly indicate whether the rights are transferable, but the Law of *Finland* states by reference that the provision, according to which the copyright in a computer program, created by an employee as part of his tasks, belong to the employer, (Section 40b) apply *mutatis mutandis* on the *sui generis* protection.

61. The term of protection and the calculation thereof differ somewhat in the Nordic laws. Thus, in *Denmark*, it is ten years from the year of first making available to the public, but not longer than 15 years from the year of making; in *Finland*, ten years from the year of publication, but not longer than 15 years from the year of making; in *Iceland*, ten years from the year of publication; and in *Norway* and *Sweden*, ten years from the year of publication. None of the laws contain explicit provisions regarding the renewal of the term in case the compilation is continuously or occasionally updated, enlarged or revised.

62. As regards the international aspects of the application of the *sui generis* protection, the Law of *Denmark* states that it applies to catalogues, etc. that have been made by (1) persons that are nationals or domiciled in a country in the European Economic Area; (2) companies that have their main offices in a country in the European Economic Area (Section 86(6)); the Law of *Finland* states that it applies to catalogues, etc. that have been first published in Finland (Section 64(7)); the Law of *Iceland* states that it applies to publications by nationals of Iceland, persons domiciled in Iceland, stateless persons and refugees that are permanently domiciled in Iceland, and subject matter that has first been published in Iceland (Section 60(1), item (1) to (4), and Section 62); the Law of *Norway* states that it applies to catalogues, etc. that have first been published in Norway (Section 58(2)); and the Law of *Sweden* states that it applies to catalogues, etc. that have been made by Swedish nationals or Swedish legal persons, or by persons that are domiciled in Sweden, as well as to catalogues, etc. that have been first published in Sweden (Section 61(2)).

63. The Nordic laws all contain a general provision, according to which administrative regulations can be made as regards the application of the laws in relation to other countries

(*Denmark*, Section 88; *Finland*, Section 65; *Iceland*, Section 61a; *Norway*, Section 59; and *Sweden*, Section 62), but these regulations do not extend the protection to other countries (the regulations of *Iceland* have not been available for study).

64. The Federal Law on Copyright of *Mexico* provides in its Article 108 for a *sui generis* protection of databases which extends the protection to non-original databases. The said provision does not explicitly clarify what is understood by databases. However, from the context, it might be inferred that the provision in this regard refers to the preceding Article which, in relation to original databases, stipulates that databases are compilations of data or other material, whether in machine readable or other form. The rights granted are, according to Article 110 of the Law, with respect to the form of expression of the structure of the database, exclusive rights to authorize or prohibit the following: (1) permanent or temporary reproduction in whole or in part, in any medium and form; (2) translation, adaptation, rearrangement and any other modification; (3) distribution of the original or copies of the database; (4) communication to the public; and (5) reproduction, distribution, or communication to the public of the results of the operations, mentioned under (2), above. The Law does not provide for exceptions or limitations of the rights specifically in relation to the *sui generis* protection of databases. The provision of the Law regarding exhaustion of distribution rights indicates that the right of distribution for databases is exhausted by the first authorized sale of the original or copies, except for the right of rental (Articles 27(IV) and 104).

65. The original owner of the rights is the person who has made the database. There are no explicit provisions regarding transfer of ownership.

66. The term of protection is five years. The Law does not explicitly state from which time that term is calculated, but the context may seem to indicate that it is from the making of the database. There are no explicit provisions regarding the renewal of the term in case the compilation is continuously or occasionally updated, enlarged or revised.

67. The Law contains no provisions regarding enforcement that specifically relate to the *sui generis* right. Also, the Law contains no specific provisions regarding the international scope of that right.

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