

Summary Report



Question Q182

Database protection at national and international level

Introduction

This question has been selected to examine national and international legislation and case law in respect of database protection and to encourage proposals for adoption of uniform rules alleviating potential deficiencies of current protection of databases.

The Reporter General received 31 Group Reports from the following countries (in alphabetical order): Argentina, Australia, Belgium, Brazil, Bulgaria, Canada, China, Croatia, Czech Republic, Egypt, Finland, France, Germany, Hungary, India, Italy, Japan, Latvia, Malaysia, the Netherlands, Paraguay, Philippines, Portugal, Romania, Singapore, South Africa, Spain, Sweden, Switzerland, United Kingdom and United States of America. The Group Reports give an excellent overview of the law relating to database protection in the reporting countries.

1. Analysis of Current Legal Situation

1.1 Legislation

Is there any legislation in your country dealing specifically with databases? If so, please describe it.

In the reporting countries which are member states of the European Union (France, Finland, Germany, Italy, Netherlands, Portugal, Sweden, United Kingdom) or which will become member states of the European Union as per May 1, 2004 (Czech Republic, Latvia, Hungary) there is both copyright and *sui generis* legislation dealing specifically with databases as a result of the implementation of the EU Database Directive 96/6. Croatia which has applied for EU membership has also implemented the Database Directive and as a result also provides for copyright and *sui generis* legislation dealing specifically with databases. In Bulgaria which has also applied for EU membership there is also specific *sui generis* database along the lines of the EU Database Directive.

In some countries (Argentina, Egypt, Japan) copyright law deals specifically with databases.

In a number of countries (Australia, Brazil, Canada, China, Paraguay, Romania, Singapore, South Africa, Switzerland and USA) there is no legislation dealing specifically with databases. In South Africa the Electronic Communications and Transactions Act of 2002 refers to critical databases - collections of data declared to be of importance to the national security of South Africa - and access to such databases may be prohibited or controlled; it does however not provide intellectual property protection of such databases.

In the US two bills are pending in Congress which deal specifically with database protection (Coble Bill and Stearns Bill).

1.2 Definition of Database

Is there any definition of the term "database" in your country's legislation or case law? If so, does it extend both to electronic and non-electronic databases?

In the reporting countries which have implemented the Database Directive (Croatia, Czech Republic, France, Finland, Germany, Italy, Latvia, Hungary, Netherlands, Portugal, Sweden, United Kingdom) and in Bulgaria national law provides for a definition of the term "database" along the lines of Article 1 para. 2 Database Directive. According to this provision the term

“database” means a collection of independent works, data or other materials which are arranged in a systematic or methodical way, and are individually accessible by electronic or other means. This definition applies equally to electronic and non-electronic databases.

In Egypt, national copyright law defines the term “database” to mean “any collection or compilation of data that satisfies a creative step in their selection, arrangement and indexing that requires personal effort worthy of protection, in any form, whether such data is on an electronic media or otherwise”. This definition also extends both to electronic and non-electronic databases. In Argentina and Japan, national copyright law provides for definitions of the term “database” which only applies to electronic databases. The copyright law of Argentina defines the term “database” as “literary works and other productions constituted by organised contents of interrelated data which have been compiled with the purpose of stocking, processing and recovering such data by means of computer techniques and systems”. Japanese Copyright law defines the term “database” as “an aggregate of information, such as articles, numerals or diagrams, which is systematically constructed so that such information can be searched with the aid of a computer”.

In the reporting countries which do not provide for legislation dealing specifically with databases (Australia, Brazil, Canada, China, Paraguay, Romania, Singapore, South Africa, Switzerland and USA) there is no definition of the term “database”.

1.3 Copyright Protection of Databases

1.3.1 Subject Matter

Does your country’s law provide for copyright protection of compilations? If so, does it only cover collections of literary and artistic works or does it also cover compilations of data or material other than literary and artistic works?

In all reporting countries except Bulgaria national copyright laws include explicit provisions on copyright protection of compilations of both works as well as data or material other than works. In Bulgaria, which is a party to the Berne Convention, collections or compilations of works are subject to copyright protection under the Berne Convention.

1.3.2 Criteria of Protection

If your country’s law provides for copyright protection of compilations is the protection limited to compilations which “by reason of the selection or arrangement of their contents constitute intellectual creations”? Are there any supplementary criteria to selection and arrangement? What is the level of originality required for a compilation to be considered a work? Does hard work in gathering data, known alternatively as “sweat of the brow”, qualify a compilation as original?

Most of the laws in the countries which provide for copyright protection of compilations follow the wording of Article 2 (5) Berne Convention and indicate that the protection is limited to compilations which “by reason of the selection or arrangement of their contents constitute intellectual creations”. This is the case in Argentina, Brazil, Canada, China, Croatia, Czech Republic, France, Finland, Germany, Hungary, Italy, Japan, Latvia, Paraguay, Portugal, Romania, Singapore, Spain, Switzerland, and the United Kingdom. In Japan, copyright protection of databases is limited to databases which “by reason of the selection or systematic construction of information contained therein constitute intellectual creations”.

In Egypt and USA, the law adds a supplementary criteria to selection and arrangement, such as the indexing of the contents (Egypt) and the coordination of the contents (USA).

A number of countries (Australia, the Netherlands, South Africa and Sweden) do not indicate specific criteria, apart from those generally applicable under copyright law, namely that the compilation should constitute a work.

The level of originality required for a compilation to be considered a work is determined through case law in each country. Some Group Reports (Argentina, Canada, France, Germany, the Netherlands, Singapore) mention that only a minimal degree of originality is required for a compilation to be considered a work. The Czech Group specifically reports that the level of originality required for a compilation to be considered a work is lower than the level of originality usually required for a work. Most of the Groups however state that the same level of originality is required for a compilation or any other intellectual creation to be considered a work.

Only in two of the reporting countries (Australia and Egypt) hard work in gathering the data, known as “sweat of the brow”, will qualify a compilation as original. In Canada, it is not clear whether a sufficient investment of labour alone or labour combined with capital would qualify a compilation as an original work. In all other reporting countries, hard work in gathering data does not qualify a compilation as original.

1.3.3 Scope of Protection

What is the scope of copyright protection of a compilation? To which extent can a compilation be copied without infringing the copyright in the compilation?

A number of countries stress that copyright protection only extends to the copyrightable elements of the work and that, accordingly, only the structure of the database, i.e. the creative selection and arrangement of the material, is protected and not the raw data (Argentina, Canada, France, Finland, Germany, Latvia, Singapore, Spain, Sweden, Switzerland and USA). Many of the countries which responded to this question stated that the whole or a substantial part of a compilation needs to be copied to constitute infringement of the copyright in the compilation (Australia, Canada, China, France, Finland, Japan, South Africa, Spain, United Kingdom). It is therefore possible for an insubstantial part, including single data, of a compilation or database to be copied without infringing the copyright in that compilation or database.

It is generally acknowledged that the courts have a certain freedom in determining whether or not a part that has been copied is substantial. In some countries (Australia, Canada, Italy) an important indication is the degree of originality of the part taken: If the copied part in turn qualifies for copyright protection this indicates that the copied part is substantial. In South Africa, the quantity as well as the quality of the material copied are taken into account in determining whether a substantial portion has been copied.

1.4 Sui generis Protection of Databases

1.4.1 System of Protection and Subject Matter

Does your country's law provide for sui generis protection of compilations of data such as databases? If so, is registration of the database required to secure sui generis protection? Does your country's sui generis system only cover databases which do not meet the criterion of originality or is there cumulative sui generis protection also for original databases protected by copyright?

The reporting countries which are member states of the European Union (France, Finland, Germany, Italy, Netherlands, Portugal, Sweden, United Kingdom) or which will become member states of the European Union as per May 1, 2004 (Czech Republic, Latvia, Hungary) provide for *sui generis* protection of databases as a result of the implementation of the EU Database Directive. Croatia which has applied for EU membership has also implemented the Database Directive and as a result also provides for *sui generis* protection of databases. Bulgaria which has also applied for EU membership also provides for *sui generis* protection of databases along the lines of the EU Database Directive. In all of these countries, registration of the database is not required to secure *sui generis* protection and there

is cumulative protection in that the *sui generis* protection is provided regardless of whether the database is protected by copyright.

The rest of the reporting countries (Argentina, Australia, Brazil, Canada, China, Egypt, Japan, Paraguay, Romania, Singapore, South Africa, Switzerland) does not provide for *sui generis* protection of databases. In Romania and the USA, efforts are under way to create specific *sui generis* legislation for the protection of databases.

1.4.2 Criteria of Protection

If your country's law provides for sui generis protection of databases what are the criteria of protection? If "substantial investment" is one of the criteria of protection, what is the level of investment required for an investment to be considered substantial?

In all of the reporting countries which provide for *sui generis* protection of databases except the Czech Republic *sui generis* protection subsists if there has been qualitatively and/or quantitatively a substantial investment in either the obtaining, verification or presentation of the contents. According to the Czech Group Report "substantial investment" is not a criterion of protection; in the Czech Republic, a database needs to be the author's mental creation as to the method of selection or arrangement of its contents.

All of the Group Reports of the countries which provide for *sui generis* protection of databases stress that on the question of the required level of investment judicial guidance is needed which to the most part has not yet been provided. In Finland, the Copyright Council has issued a - legally non-binding - statement that a fairly low level of investment is sufficient for protection. In Italy, there appear to be two conflicting views, one of them taking a more stringent approach requiring "major investments" and the other one adopting a more generous approach. In Germany, one court has also found that only a low level of investment is required for an investment to be considered substantial.

In France, in determining whether there has been a "substantial investment" courts have considered investments of 30 millions EURO and 1 million EURO, respectively, as well as annual investments of 90'000 EURO to be substantial investments. In another decision a French court granted *sui generis* protection as a result of the database maker having dedicated a large fraction of its activities and assets into the creation of the database. In other French decisions courts have taken into account qualitative aspects such as marketing efforts in presenting the database, the size of the database, as well as the number of data contained in the database and requiring updating.

There is diverging case law on the issue of whether the investment must be primarily aimed at the obtaining, verification or presentation of the contents or whether a database is also protected if it is a "spin-off", a by-product of something else. While a French court has granted *sui generis* protection to the annual electronic directory of a company on the basis of large investments in the creation of the underlying internal address database of the company Dutch courts have denied *sui generis* protection holding that the database was a mere spin-off of a larger database. The "spin-off" argument has been referred to the European Court of Justice, but has yet to be decided.

1.4.3 Rights granted and Scope of Protection

If your country's law provides for sui generis protection of databases what are the rights granted to the database maker? If "extraction" and "re-utilisation" are covered by any right, how are these notions defined? What is the scope of the sui generis protection? If "substantial part" is relevant in determining the scope of protection, how is this concept defined?

In some of the reporting countries which provide for *sui generis* protection of databases the rights granted are, in accordance with the Database Directive, the rights to prevent extraction and/or re-utilization of the whole or substantial part of the contents of the database. This is the case in Bulgaria, France, Italy, Latvia, the Netherlands, Portugal, Spain and in the

United Kingdom. In the other reporting countries which provide for *sui generis* protection of databases the granted rights are, in accordance with traditional terminology in copyright law, the rights to prevent the reproduction and the making available of the whole or substantial part of the contents of the database. This is the case in Croatia, Czech Republic, Finland, Hungary and Sweden. In Germany the granted rights are the rights to prevent the reproduction, distribution and public presenting of the database.

In those countries where the granted rights cover “extraction” and “re-utilisation” these terms are, as a general rule, defined in accordance with the Database Directive, i.e. “extraction” means 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 “re-utilisation” means 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.

In all reporting countries which provide for *sui generis* protection of databases the scope of protection extends to the extraction/reproduction and re-utilisation/making available of the whole or a substantial part of the contents of the database.

Most of the Groups agree that the term “substantial part” is not defined and its interpretation thus requires judicial guidance. In Germany, it has been put forward that the quality and quantity of the extracted part must be put in relation to the quality and quantity of the database as a whole in determining whether the extracted part qualifies as substantial. In France, some courts have also adopted such objective approach: On this basis it has for instance been found that the extraction of ten communications and two reports of the contents of a database does not qualify as substantial whereas the extraction of 12% of the contents of a database qualifies as substantial. In contrast to the objective approach some French courts have adopted a more subjective approach meaning that more emphasis is put on the benefit to the user. In one decision, for instance, a French court considered the extraction of only a few communications of the contents of a database to be substantial because of the benefit afforded to the user. This decision is in line with Dutch case law. A court in the Netherlands has held that even the extraction of small amounts of data would qualify as substantial extraction if the extracted data is of great value to the end user. In Italy an important indication is whether the copied part in turn qualifies for *sui generis* protection: If this is the case the copied part is substantial.

In all of the reporting countries which provide for *sui generis* protection of databases the scope of protection also extends to the repeated and systematic extraction/reproduction or reutilization/making available of insubstantial parts of the contents of the database if such acts conflict with a normal exploitation of the database or unreasonably prejudice the legitimate interests of the maker of the database.

1.4.4 Limitations and Exceptions

If your country’s law provides for sui generis protection of databases are there any limitations or exceptions? If so, what are they (e.g. private use, scientific research, education, public security, government purposes)? Are there any compulsory licensing provisions under your country’s sui generis protection regime?

All of the reporting countries which provide for *sui generis* protection of databases allow extraction of substantial parts of the contents of a non-electronic database for private purposes. The extraction for private purposes of substantial parts of the contents of an electronic database is not allowed in any of the reporting countries providing for *sui generis* protection of databases.

All reporting countries except France provide for two additional exceptions and limitations regarding the *sui generis* right: (1) Extraction/replication for the purpose of illustration for teaching or scientific research of substantial parts of the contents of a database is allowable,

as long as the source is indicated and to the extent justified by the non-commercial purpose to be achieved. (2) Extraction/replication and/or re-utilization/making available of substantial parts of the contents of a database for the purposes of public security or an administrative or judicial procedure.

A number of Group Reports (Croatia, Finland, Italy, Sweden, UK) make reference to further exceptions and limitations which are traditionally recognised under the countries' copyright law, such as quotations, newspaper articles and broadcast commentaries, usage of databases for the purpose of the disabled, public records.

A number of Group Reports mentions exceptions and limitations of a general nature which apply to all reporting countries providing for *sui generis* protection of databases. For instance the Bulgarian Group points out that, in accordance with Recital 19 and Article 1 (3) of the Database Directive, the *sui generis* protection does not apply to CDs compiling recordings of musical performances and the computer programs used in the making or operation of databases accessible by electronic means. The Finnish Group mentions the general principle that the first sale of a copy of the database (e.g. a CD-ROM) by the rightholder or with its consent exhausts the right to control resale of that copy. The Groups of France, Hungary, Portugal and Spain reiterate that, in accordance with Article 8 of the Database Directive, the lawful user of a database may not be prevented from extracting and/or re-utilizing insubstantial parts of its contents, as long as these acts do not conflict with normal exploitation of the database or unreasonably prejudice the legitimate interests of the maker of the database. The French and UK Group Reports point out that competition law may potentially provide for limitations in the exploitation of the database rights, specially in the case of sole source databases.

There are no compulsory licensing provisions in any of the reporting countries' *sui generis* protection regime. The Dutch Group Report states that refusal to license a database could constitute an abuse of a dominant position under Dutch competition law and that as a result Dutch Competition authorities could consider granting a compulsory license.

1.4.5 Duration of Protection

How long is the duration of the sui generis protection?

In all of the reporting countries providing for *sui generis* protection the duration of *sui generis* protection is 15 years, from the date of completion of the making of the database. Any substantial change to the contents of a database which would result in the database being considered to be a substantial new investment triggers a new term of protection.

1.5 Possible Alternatives for a *sui generis* System

1.5.1 Unfair Competition Law

Does your country have a law of unfair competition? If so, does it have a role in the protection of databases? If so, to what extent?

In a few reporting countries (Australia, the Netherlands, Singapore, Sweden, UK) there is no formal law of unfair competition. In some of these countries there are however related concepts of law, such as trade practices law (Australia), tort and misappropriation law (the Netherlands), marketing practices law (Sweden) and passing-off law (UK) which, as a general rule, have a limited role in the protection of databases.

In the majority of reporting countries which have a law of unfair competition it has either no role or only a limited role in the protection of databases (Bulgaria, Canada, Croatia, Egypt, Finland, Hungary, Italy, Japan, Latvia, Romania, USA). Some Group Reports state that unfair competition law in principle applies to the unauthorised appropriation of databases, but there is no case law. This is the case in Argentina, Brazil, China, Portugal and Spain. The Brazilian, Chinese, South African, Swiss and US Group Reports mention that the misapp-

ropriation of confidential trade information (trade secrets) amounts to a violation of unfair competition law. The South African Report points out that where a database is not confidential unfair competition law does not provide protection.

In France, unfair competition law had a role in the protection of databases prior to the enactment of the *sui generis* protection regime. In Germany, unfair competition law has a role in the protection of databases in parallel to *sui generis* protection provided the databases displays a certain originality so as to indicate its origin to the relevant circles of trade and provided there are specific circumstances which make the act of copying appear unfair. In the *Tele-Info-CD* decision for instance the German Supreme Court considered the distribution of CDs with scans of the telephone directories of the Deutsche Telekom to be an act of unfair competition. In Switzerland - which does not have *sui generis* protection - anyone who takes by means of technical reproduction processes and without a corresponding effort of his own the marketable results of the work of another person and exploits them as such is deemed to have committed an act of unfair competition. The Swiss Group Report points out that the technical reproduction of a commercial database e.g. by means of scanning or electronic copying, will generally amount to a violation of unfair competition law.

1.5.2 Other Means of Protection

Does your country provide for any other means of protecting databases? If so, in which legal areas and by which mechanisms (e.g. contract law)?

Most Group Reports (Argentina, Australia, Brazil, Bulgaria, China, the Czech Republic, Egypt, Finland, Portugal, Romania, Singapore, South Africa, Spain, Sweden, Switzerland, UK, USA) mention contract law as possible alternative protection system. The South African Group Report states that contractual undertakings could be incorporated in "shrink-wrap" (e.g. in the case of a database on a CD-ROM) or "click" licenses (e.g. in the case of an online database). A number of Group Reports (Brazil, Egypt, Romania, South Africa, Spain, Switzerland) point out that the contractual undertakings can only be enforced against the other contracting party and not against third parties.

The Group Reports of Argentina, Canada, Singapore, Sweden and the UK mention trade secret law as possible alternative protection system which is limited to confidential databases. The Group Reports of Canada, Spain and Switzerland mention criminal law as possible alternative remedy. In Canada, there is no case law in the context of databases. In Spain, the criminal law provision is limited to the copying of copyright-protected databases. In Switzerland, the criminal law provision is only relevant in relation to confidential databases.

The Japanese Group Report mentions a decision of the Tokyo District Court which afforded legal protection to a database on automobiles on the basis of a damages provision in the Civil Code. The Tokyo District Court considered the investment of 500 million yen in the developing and the annual investment of 40 million yen in the maintaining of the database to be substantial and thus worthy of legal protection. The extraction of a substantial amount of data from this database and its incorporation into a competitor's own database was considered an unlawful act and as a result gave rise to a damage claim under the Civil Code.

The Dutch Group Report mentions the possibility of patenting the structure of a database if in conjunction with a computer it has a technical effect, such as a reduced use of memory or easy access to data.

The French Group mentions the possibility of reinforcing legal protection by technical measures. Both the Canadian and the French Group stress that protection by technical measures is also sanctioned, as certain actions in relation to circumvention devices for such measures are prohibited by the statute.

2. Proposals for Adoption of Uniform Rules

2.1 Legislation

Should legislation be enacted to deal specifically with databases? If so, should national legislation be enacted or is there a need for an international treaty on the protection of databases?

The great majority of Groups is of the opinion that national legislation dealing specifically with databases should be enacted to bring about legal certainty and uniformity. The Groups of Australia and Japan are of the opinion that no national legislation on databases is required. Both Groups stress that their national law already provides for adequate protection regimes. The Canadian Group points out that the issue of database protection is currently under review in Canada, at this time the Canadian Group does not have a specific opinion regarding the need for legislation.

All of the Groups which answered this question except Australia and Canada are in favour of an international treaty dealing specifically with databases. Some of the Groups (Hungary, South Africa, Sweden) mention that it will be difficult to achieve consensus.

There are also different opinions as to the degree of harmonization which is required.

The Group of Argentina mentions the possibility of enacting recommendations to countries to modify national legislation. The Group of Singapore supports the creation of a Model Law for the protection of databases which countries could then choose to adopt with or without modifications to suit their own national interests. The Group of Latvia states that an international treaty should only provide for minimal requirements allowing national legislator to establish more specific provisions. The Groups of Japan and Portugal also stress the importance of creating an international treaty with minimum standards and limited binding power.

The French, Dutch and Spanish Groups favour international harmonization on the basis of the Database Directive.

The Finnish Group states that in relation to copyright protection the Berne Convention, the TRIPS Agreement and the new WIPO Copyright Treaty form a sufficient basis for international protection and no additional treaty is required. The Finnish Group also acknowledges the need to protect investments made in databases, but is uncertain whether *sui generis* protection as provided by the Database Directive forms the best possible basis for international database protection. The Finnish Group states that the Database Directive based *sui generis* protection has shown to be problematic in many respects.

2.2 Definition of Database

If you think that legislation should be enacted to deal specifically with databases what should the definition of "database" be? Should it extend to both electronic and non-electronic databases?

The majority of Groups who responded to this question (Brazil, China, Croatia, Finland, France, Germany, Hungary, Italy, the Netherlands, Portugal, Singapore and Spain) is of the opinion that the definition of database as provided in the Database Directive is acceptable. The Groups of Bulgaria, Croatia, France and UK propose the definition of "database" as provided in their national law, but those definitions more or less mirror the definition of the Database Directive as a result of the implementation of the Database Directive. According to the definition in the Database Directive "database" means a collection of independent works, data or other materials which are arranged in a systematic or methodical way, and are individually accessible by electronic or other means.

The Group of Argentina proposes to define "database" as "collection of organized data which are subject of treatment or processing whether or not in electronic form which can be arranged organized or accessed in any way".

The Group of Egypt proposes the definition as provided in Egyptian law. In Egypt, the law defines a “database” to mean “any collection or compilation of data that satisfies a creative step in their selection, arrangement and indexing that requires personal effort worthy of protection in any form, whether such data is on an electronic media or otherwise”.

The Group of South Africa states that a definition of “database” should include databases in both electronic and non-electronic format, not be limited to items of literary nature (ie should also include databases of graphic items or other symbols), specify selection and arrangement requirements sufficiently stringent to prevent casual or non-skilled compilations from becoming eligible, give specific attention to computer-generated or automatically created compilations, address the issue of derivative works.

The US Group makes reference to the pending Coble Bill which defines databases as “a collection of a large number of discrete items of information produced for the purpose of bringing such discrete items of information together in one place or through one source so that persons may access them”.

All Groups who responded to this question state that the definition of “database” should extend to both electronic and non-electronic databases.

2.3 *Copyright Protection of Databases*

Do you think that copyright protection should be granted to databases? If so, what should the criteria of protection be? Do you think that the level of originality required for a database to be copyrightable should be low, so that “sweat of the brow” databases qualify as copyrightable? What should the scope of copyright protection be?

All of the Groups who responded to this question think that copyright protection should be granted to databases. The great majority of those Groups (Argentina, Brazil, China, Croatia, Finland, France, Germany, Hungary, Italy, Japan, Latvia, the Netherlands, Paraguay, Portugal, Singapore, South Africa, Spain, Sweden, UK, USA) think that copyright protection should only be granted to original databases and that “sweat of the brow” databases should not qualify as copyrightable. Some Groups (Finland, Germany, Hungary, Italy, Sweden) state that the level of originality required for a database to be copyrightable should be the same as for any other copyrightable work. The Groups of Australia, Bulgaria and Egypt think that “sweat of the brow” databases should qualify as copyrightable.

The Finnish Group pointed out that the scope of copyright protection should be the same as provided by the copyright regime of the Database Directive.

2.4 *Sui generis Protection of Databases*

2.4.1 *System of Protection and Subject Matter*

Do you think that sui generis legislation should be enacted to protect databases? If so, should there be a registration system to secure sui generis protection? Should the sui generis system only cover un-original databases or should there be the possibility to obtain cumulative sui generis protection also for original databases protected by copyright?

The great majority of the Groups (Argentina, Brazil, Bulgaria, China, Czech Republic, Finland, France, Germany, Hungary, Italy, Latvia, the Netherlands, Paraguay, Portugal, Singapore, Spain, Sweden, Switzerland, UK and USA) thinks that *sui generis* legislation should be enacted to protect databases. The Italian Group Report states that *sui generis* protection is required as a result of the inadequacy of the copyright system. The French Group Report specifically mentions the necessity of adequate protection of the database maker’s investments as an incentive to create databases in the first place. The US Group report states that the Coble Bill currently pending in congress would provide a private right of action; the Stearns Bill which is also currently pending in Congress would instead empower the Federal Trade Commission (FTC) to take enforcement action against misappropriation as an unfair or deceptive act or practice.

Only three of the Groups which responded to this question (Australia, Egypt, Japan) think that *sui generis* legislation should not be enacted to protect databases. The Group of Australia has concerns about the impact of a *sui generis* system on the free flow of information. The Egyptian Group fears that enacting *sui generis* protection would open protection to other forms of IP which do not fulfil traditional requirements. The Group of Croatia stresses that in order to take a decision a thorough analysis of the impact of *sui generis* protection is required.

The Groups have diverging views of whether there should be a registration system to secure *sui generis* protection. Some Groups (Brazil, Czech Republic, France, Germany, the Netherlands, South Africa, Sweden, Switzerland, UK, USA) think that there should be no registration system. Most of these Groups find a registration system to be too costly and impractical and therefore inappropriate. The Finnish Group states that there should be a possibility for database makers to register a database voluntarily. Some Groups (Argentina, China, Hungary, Portugal, Singapore, Spain) think that there should be a registration system. The Group of Singapore points out that a registration system will create certainty. The Group of Hungary stresses that only the priority date and the owner of the database should be recorded in a registration system and that there should be no substantive examination of the criteria of protection.

All Groups who responded to this question think that the *sui generis* system should not only cover un-original databases, but that there should be the possibility to obtain cumulative *sui generis* protection also for original databases protected by copyright.

2.4.2 Criteria of Protection

If you think that sui generis legislation should be enacted to protect databases, what should be the criteria of protection? If you think "substantial investment" should be one of the criteria of protection what should be the level of investment required for an investment to be considered substantial?

Almost all Groups (Brazil, Bulgaria, China, Finland, France, Germany, Hungary, Italy, Latvia, the Netherlands, Portugal, Singapore, Spain, Sweden, and UK) think that "substantial investment" should be the criteria of protection. The Group of Argentina mentions "commercial value" as criteria of protection. The Swiss Group Report states that certain requirements, such as systematic structure, size, user-friendliness and relevance of the database, must be fulfilled in order for *sui generis* protection to subsist.

The US Group report mentions that the pending Coble Bill would accord protection to certain databases gathered, generated or maintained through "substantial expenditure of financial resources or time"; the Stearns Bill accords it to certain databases generated "at some cost or expense".

Almost all of the Groups who think that "substantial investment" should be the criteria of protection state that the level of investment required for an investment to be considered substantial must be determined through case law in each country. The Groups of Finland and Germany stress that the required level should not be too high to take into account the interests of SMEs. The Dutch and South African Groups on the other hand state that the required level should be significant to be considered substantial.

2.4.3 Rights granted and Scope of protection

What rights should be granted to the database maker? If you think that "extraction" and "re-utilisation" should be covered by the rights to be granted how should these notions be defined? If you think that "substantial part" should be relevant in determining the scope of protection, how should this concept be defined?

Most Groups (Argentina, Brazil, Finland, France, Germany, Hungary, Italy, Latvia, the Netherlands, Paraguay, Portugal, Singapore, South Africa, Spain, and UK) think that "ex-

traction” and “re-utilisation” should be covered by the rights to be granted. Some of those countries define these notions in accordance with the Database Directive, i.e. “extraction” means 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 “re-utilisation” means any form of making available to the public all or a substantial part of the contents of a database by the distribution of copies, by renting, by on-line or other forms of transmission. The Groups of Argentina and China are of the opinion that a database maker should be granted the right to prevent others from commercially exploiting the database without authorization.

The US Group mentions that the pending Coble Bill would protect a database maker against misappropriation of the database by others that causes the displacement, or the disruption of the sources, of sales licenses, advertising, or other revenue. Under the Stearns Bill, database misappropriation would be prohibited if the other person’s use of the information constitutes “free-riding” in competition with the database maker.

Most Groups (Australia, Finland, France, Germany, Hungary, Italy, the Netherlands, Paraguay, Portugal, Singapore, South Africa, Spain, Sweden and UK) think that the rights granted should only prevent the extraction and/or re-utilization of the whole or a “substantial part” of the database. The Groups of Hungary and Singapore additionally state that repeated and systematic extractions and/or re-utilizations of insubstantial portions of the database should, in accordance with the Database Directive, not be allowable either. The general view is that the notion “substantial part” should be determined through case law in each country. According to the Italian Group Report the test should be whether the copied part in turn qualifies for *sui generis* protection: If this is the case the copied part is substantial. The Dutch and UK Group Reports stress that even few data can be valuable and thus worthy of protection.

2.4.4 Limitations and Exceptions

Should limitations or exceptions be granted? If so, which ones (e.g. private use, scientific research, education, public security, government purposes)? Should there be any compulsory licensing provisions?

Almost all Groups think that the usual exceptions of private use, scientific research and education, public security and government purposes should be granted. The Group of Croatia stresses that one should have to pay a remuneration if he or she uses a database in scientific research and education. The Australian Group points out that fair use provisions should ensure access to the information contained in databases.

The US Group report points out that the pending Coble Bill would permit independent generation or creation of a similar database, and excludes certain acts from protection; such as: making available in commerce of a substantial part of the database by a non profit scientific, postsecondary educational or research institution, hyperlinking, and news reporting.

All Groups who responded to this question except China, Italy, Portugal, and Singapore state that there should be no compulsory licensing provisions. The French, Finnish, and Dutch Group Reports point out that competition law should potentially provide for limitations in the exploitation of the database rights, specially in the case of sole source databases.

2.4.5 Duration of Protection

How long should the sui generis protection be?

The Groups of Argentina, Brazil, and South Africa think that *sui generis* protection should last 10 years.

The Group Reports of Paraguay and Spain state that *sui generis* protection should last between 10 and 15 years

The Groups of the Czech Republic, Germany, Hungary, Latvia, the Netherlands, Portugal, Singapore, Sweden, and UK think that *sui generis* protection should last 15 years.

The Group of Bulgaria favours 20 years of *sui generis* protection.

The Groups of Finland and Italy point out that neighbouring rights generally last 50 years and that, accordingly, a duration of *sui generis* protection of 15 years is insufficient.

2.4.6 Assessment of existing *sui generis* systems

If your country already provides for sui generis protection of databases, do you think the system should be revised? If so, why and in what ways?

Some of the Groups who responded to this question (Bulgaria, Croatia, France, Spain) state that *sui generis* protection has only existed in their countries for a few years and that therefore there was not sufficient experience to assess the *sui generis* system. Some Groups (Czech Republic, Hungary, Italy) point out that no problems have been reported so far and that therefore there was no need to revise the system.

Other Groups however point out a number of problems. For instance, the German Group mentions the problem of sole-source databases and the necessity for competition law to provide for limitations in this regard. The Finnish and UK Groups mention the problem of dynamic databases which are constantly renewed. The Finnish Group stresses that the duration provision should be interpreted restrictively to avoid providing for perpetual protection of databases. The Dutch, Finnish and UK Group Reports state that *sui generis* protection along the lines of the Database Directive relies on a number of unclear concepts such as “substantial investment” and “substantial part” which require judicial guidance which so far has not been provided. These Groups are eagerly awaiting a number of decisions of the ECJ hoping that they will clarify positions.

2.5 Possible Alternatives for a *sui generis* system

If your country does not have unfair competition rules or if your country’s unfair competition law does not have a role in the protection of databases do you think your law should be changed, so as to provide database protection on the basis of unfair competition law? Should there be any other means of protecting databases which your country does not offer or not fully take into account? If so, which ones?

The Bulgarian and Portuguese Groups state that unfair competition law should be changed to provide additional protection for databases. The Swiss Group stresses that Swiss law already provides for relevant unfair competition rules to protect databases, but that courts need to interpret those provisions less restrictively.

3. Summary

The many excellent Group Reports should enable AIPPI to put together a resolution on this question which identifies the key elements of database protection. In drafting a resolution on this question the following parts seem to have strong support by a large majority of the Groups:

- the recommendation that both an international treaty and national legislation should be enacted to deal specifically with databases;
- the recommendation that the term “database” should be defined along the lines of the Database Directive and extend to both electronic and non-electronic databases;
- the recommendation that copyright protection should be granted to original databases;
- the recommendation that *sui generis* legislation should be enacted to protect un-original or original databases;

- the recommendation that the condition for *sui generis* protection of databases should be that a substantial investment has been made;
- the recommendation that exceptions to or limitations of the rights provided by *sui generis* legislation should be granted, including private use, use for scientific research and education, public security and government purposes;
- the recommendation that the term of *sui generis* protection should be not less than 10 years.