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Protection for databases : the European Database Directive and its effects in the Netherlands, France and the United Kingdom

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1 | A drafting history and general overview of the Database Directive

1.1 INTRODUCTION

In this chapter, we will provide an outline of the coming into being of the European Database Directive.¹ Its drafting history is followed by a discussion of the different methods which the EU Member States used for implementing the Directive. Subsequently, the 1996 Draft Database Treaty proposed by the World Intellectual Property Organisation is studied. This treaty aimed to introduce a worldwide harmonised protection for databases, but it was not adopted and still remains in a draft form. Finally, we provide an analysis of the individual articles of the Directive. The fundamental concepts in the Directive will be dealt with in more detail in further chapters.

1.2 A DRAFTING HISTORY OF THE DATABASE DIRECTIVE

1.2.1 The beginning

1.2.1.1 *The 1988 Green Paper*

In the 1980s, the European Commission began to make preparations for a European common market, which was to be established at the end of 1992.² Special interest was thereby devoted to information and information services, in view of the increasing value of information for trade and industry. With the developing digital technologies, information in the form of electronic databases had become an increasingly important commodity, both online and offline.³ In a 1987 communication, the Commission observed that Europe strongly lagged behind in the production of databases, compared with the

1 Its text is in Appendix 1.

2 Compare art. 3(c) of the EC Treaty, stating that the activities of the European Community shall include – among other things – an internal market characterised by the abolition, as between Member States, of obstacles to the free movement of goods, persons, services and capital.

3 According to the 1992 Explanatory Memorandum to the First Proposal for a Database Directive, COM(92) 24 final, OJEC 1992 C 156/4, p. 13 paras. 2.2.1 and 2.2.2, the production of databases began to be significant in Europe as from the mid-1980s, while it was estimated that the United Kingdom held 50% of Europe's total market for online database services in 1992.

United States.⁴ To increase Europe's competitiveness, the Commission intended to eliminate the legal obstacles that hindered the free movement of information and information services within Europe by harmonising legislation.

In 1988, the European Commission issued a Green Paper on copyright, the sixth chapter of which was entirely devoted to databases. Databases were defined as collections of data stored and accessed by electronic means.⁵ This restriction to *electronic* databases (also encountered in the first proposals for the Database Directive) shows that, at that time, the main concern was the threat of digital copying.

The Green Paper posed the question of what an adequate legal protection for databases should look like and who should be its beneficiary. In many European Member States, statutory copyright protection was only available to collections which contained works protected by copyright, in accordance with the Berne Convention (BC).⁶ This was considered problematic by the European Commission.⁷ Only a few Member States conferred statutory copyright on collections composed of information within the public domain, such as the Scandinavian countries with their 'catalogue rule' and the Netherlands with its protection of non-original writings, called *geschriftenbescherming*.⁸

Where databases failed to meet the conditions for copyright, the European Commission still considered it desirable to grant the database developer protection against unauthorised reproduction, given that collecting the contents requires considerable investments. The Commission compared such protection to the neighbouring right which enables producers of phonograms to combat piracy, irrespective of whether or not the material included in the phonogram is copyrighted.⁹

1.2.1.2 The 1990 hearing on the (in)adequacy of copyright

The Green Paper's chapter on databases ended with the European Commission's request to receive reactions on the questions of whether databases with copyrighted contents should be entitled to copyright, whether this should also count for databases with public domain material, or whether a *sui generis* regime should apply to these databases with unprotected contents. A hearing on these questions was held in 1990, a report of which can be found in the

4 Communication from the Commission together with a draft decision concerning the establishment at community level of a policy and a plan of priority actions for the development of an information service market, COM(87) 360/2 final, Brussels, 2 September 1987.

5 Green Paper on copyright and the challenge of technology – Copyright issues requiring immediate action, COM(88) 172 final, Brussels, 30 January 1989, pp. 205-217.

6 Art. 2(5) BC. However, the courts in many Member States also awarded copyright protection to databases containing unprotected material. See section 2.1.1.1.

7 Green Paper 1988, p. 212.

8 See section 3.2.2 on the Dutch *geschriftenbescherming* and the Scandinavian catalogue rule.

9 Green Paper 1988, p. 214.

Follow-up to the Green Paper.¹⁰ The main conclusion of the hearing was that a prevailing preference existed among interested circles for database protection by means of copyright, while alternatives such as a neighbouring right or a *sui generis* right were largely rejected. Moreover, copyright should be available for databases with copyrighted material and with unprotected contents alike. Urged on by the ever-increasing economic importance of the database sector, the European Commission swiftly started work on drafting a proposal for a harmonisation directive.

Contrary to the parties present at the hearing, in 1991 the Legal Advisory Board (LAB)¹¹ was not convinced that copyright protection alone would be sufficient.¹² For this, the Board had undoubtedly derived support from the judgment of the Dutch Supreme Court in *Van Dale v. Romme I*, and the *Feist* judgment by the American Supreme Court.¹³ In the former, it was found that a dictionary is not necessarily entitled to copyright, while in the latter decision, the American Supreme Court denied copyright to a telephone directory. The LAB discussed additional protection for non-copyrighted databases by way of user contracts regulating access and use. It also considered a neighbouring right regime, but could not decide upon its suitability. Protection by unfair competition law gave rise to the LAB's objection that the EU Member States assess unfairness by different criteria. Furthermore, the LAB argued that a *sui generis* regime could cause problems outside Europe, especially in Japan and the United States. It moreover disapproved of the distinction upheld in the Green Paper between electronic and non-electronic databases. No consensus could ultimately be reached in the LAB meeting as to the protection regime best suited for databases.

10 Follow-up to the Green Paper – Working Programme of the Commission in the field of copyright and neighbouring rights, COM(90) 584 final, Brussels, 17 January 1991, pp. 18-20.

11 The Legal Advisory Board is an advisory body established in 1985 which reports to the European Commission. It consists of legal experts from all Member States and advises among other things on themes concerning the information market.

12 A report of the LAB's meeting on databases on 23 and 24 May 1991 is in Legal Advisory Board Information & Discussion Paper 91/2 (The findings of the PROPRINTELL-report. The protection of databases in the Member States of the European Community).

13 HR 4 January 1991 (*Van Dale v. Romme I*), NJ 1991, no. 608 note D. Verkade. U.S. Supreme Court 27 March 1991 (*Feist Publications, Inc. v. Rural Telephone Service Company, Inc.*), 499 U.S. 340 (1991); 113 L. Ed. 2d 358 note G. Knapp; 111 S. Ct. 1282. Also see section 1.2.2.1b.

1.2.2 The proposal phase

1.2.2.1 *The First Proposal*

(a) *The restriction to electronic databases*

The European Commission presented its proposal for a Database Directive in 1992.¹⁴ It exclusively covered electronic databases, for two reasons. Firstly, the Commission observed that non-electronic databases already enjoyed copyright protection through art. 2(5) BC, which the World Intellectual Property Organisation at that time was intending to open up for collections of non-copyrighted material as well. Because the EU Member States did not yet statutorily list electronic databases as copyrightable subject-matter, the Commission favoured a harmonisation directive to prevent Member States from drafting their own legislation. Secondly, the Commission argued that electronic databases are a new type of collection having their own copyright problems, such as being very easy to copy. To the Commission, this justified special measures for electronic databases. Here, we again encounter the technology-dependent¹⁵ approach already upheld in the 1988 Green Paper.¹⁶

(b) *The copyright threshold and the introduction of a new unfair extraction right*

According to the European Commission, the protection level for databases had to be at least as high as in Japan¹⁷ and the United States. The United States protected compilations of works as well as of data fixed in any medium,¹⁸ while its courts granted copyright according to a low threshold, merely requiring the investment of skill, labour and money. However, this 'sweat of the brow' doctrine was overthrown in 1991 by the US Supreme Court in the important *Feist* judgment.¹⁹ In this case concerning the telephone directory of Rural Telephone copied by Feist, the Supreme Court established the inadequacy of the threshold applied up to that time. It found that mere collections of facts such as an alphabetical list of names in a telephone directory are insufficiently original to merit copyright. Instead, the US Supreme Court committed itself to a higher threshold similar to the one used in continental

14 Proposal for a Council Directive on the legal protection of databases, Brussels, 13 May 1992, COM(92) 24 final, *OJEC* 1992 C 156/4 (with an Explanatory Memorandum).

15 De Cock Buning used this term in her Ph.D. thesis, see De Cock Buning 1998, p. 246 (English summary).

16 See section 2.1 on the evolution of this aspect of the database definition.

17 Art. 12bis of the Japanese Copyright Act explicitly includes databases, according to the Explanatory Memorandum to the Directive's First Proposal, *OJEC* 1992 C 156/4, p. 18 para. 2.3.5.

18 United States Code Title 17 ss. 101 and 102.

19 *Feist Publications, Inc. v. Rural Telephone Service Company, Inc.*, 499 U.S. 340 (1991); 113 *L. Ed.* 2d 358 note G. Knapp; 111 *S. Ct.* 1282.

Europe, requiring ‘more than a *de minimis* quantum of creativity’ in the compilation’s selection or arrangement.

The Feist decision made the European Commission realise that many commercially important databases would be left without copyright and it did not wish to entrust the protection of databases entirely to copyright. Therefore, in its First Proposal for a Database Directive, the Commission added a second form of protection. This was based on unfair competition.²⁰ As a consequence, the two-tier protection system which the Commission introduced in the First Proposal consisted of:

- 1 Copyright for electronic databases containing works or non-copyrighted material, provided that their selection or arrangement is an intellectual creation of the author. The right holder is the actual maker, but Member States are free to assign the right to his or her employer.
- 2 An unfair extraction right (being a *sui generis* right) for electronic databases containing unprotected material, which protects their contents against unfair extraction and reutilisation for commercial purposes.²¹ This protection can exist alongside copyright in a database’s selection or arrangement. Its term of protection is ten years while the right holder is the database producer. When he is a monopolist producing databases with non-copyrighted material,²² this material is submitted to compulsory licensing against fair and non-discriminatory terms.²³

(c) *Reasons for introducing the new unfair extraction right*

With its choice for an unfair extraction right based on unfair competition, the Commission declined the introduction of a completely new *sui generis* regime. Firstly, it argued that such a regime would not provide certainty or stability in the short run as case law could only develop after a considerable period of time. Furthermore, a *sui generis* regime alone would not ensure treatment

20 Explanatory Memorandum to the First Proposal for a Database Directive, p. 31 para. 4.2.10: ‘Therefore the long term economic future of the database industry demands that there be adequate protection not only of the elements which may be of less direct relevance to the user or the competitor, namely the selection or arrangement of the material, but also of the material itself, which is easily appropriated under present copyright regimes and which is in many cases the real essence of the database itself.’

21 It is not clear whether this regime also covered insubstantial database parts. The proposal’s articles were contradictory, defining the right in art. 1(2) as the right to prevent acts of extraction and reutilisation of material from that database for commercial purposes, whereas calling it in arts. 2(5) and 8(1) a right to prevent unauthorised extraction or reutilisation from that database of its contents, in whole or in substantial part, for commercial purposes. On the other hand, the proposal contained exceptions for the use of insubstantial parts, which would be superfluous if these parts would fall outside the scope of the right (also compare the Explanatory Memorandum, p. 35 para. 5.3.7).

22 The Commission observed that legitimate copyrights or neighbouring rights in the contents would otherwise be thwarted by compulsory licensing.

23 We will discuss the compulsory licensing provision in section 5.3.2.

on a reciprocity basis for Community databases outside Europe, while the Commission also did not consider a *sui generis* regime to be coherent with the existing copyright protection for computer programs and collections. Moreover, the Commission rejected a neighbouring right regime for the same reasons; no Member State protected databases by such a right, while the conventions on neighbouring rights²⁴ did not offer a basis for extending such rights to databases.

Leaving the protection of databases to the general tenet of unfair competition was not an option which the Commission considered because this tenet's application and scope differ widely among the EU countries.²⁵ To ensure harmonisation, the Commission created a special unfair extraction right founded upon unfair competition rules and it put forward several arguments to justify this choice. Firstly, it sought a form of protection that would provide legal certainty and stability, and encourage investments in the database sector. Furthermore, the Commission wanted to ensure protection for European databases also in non-EU countries.²⁶ Moreover, the regime should be coherent with already existing protection regimes for similar works, and with the European Community policy in the context of the WIPO²⁷ and WTO.²⁸ Finally, the Commission wanted a regime that would create a fair balance between the interests of users and right holders.

(d) *Comparing the unfair extraction right with unfair competition and the final sui generis regime*

Although based on the tenet of unfair competition, the proposed unfair extraction right in our view differed from it in several aspects. Firstly, it was modelled as an absolute right that may be invoked beforehand to prevent misconduct, whereas unfair competition can only correct any misconduct

24 Rome Convention for the protection of performers, producers of phonograms and broadcasting organisations of 1961, and the Geneva Convention for the protection of producers of phonograms against unauthorised duplication of their phonograms of 1971.

25 Explanatory Memorandum to the Database Directive's First Proposal, p. 31 para. 5.1.1 and p. 36 para. 5.3.9.

26 The Paris Convention for the protection of industrial property of 1883 stipulates in art. 10bis that the signatory countries provide their nationals with effective protection against unfair competition. The principle of national treatment is included in its art. 2. However, the Commission stated in 1993 that the *sui generis* regime was subject to its own specific provisions, and therefore not linked to any existing international conventions. See the Explanatory Memorandum accompanying the Amended Proposal for a Council Directive on the legal protection of databases, Brussels, 4 October 1993, COM(93) 464 final, OJEC 1993 C 308/1, p. 3.

27 The World Intellectual Property Organisation was preparing new treaties updating the Berne Convention for the digital world. The WIPO Copyright Treaty and the WIPO Performances and Phonogram Treaty were eventually drawn up in 1996.

28 The World Trade Organisation worked on a General Agreement on Tariffs and Trade, including an Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), which was concluded in 1994.

already committed. Secondly, protection by the unfair extraction right only lasted until ten years after the database had been made available, whereas protection against unfair competition in principle may be unlimited in time. Here, the courts must assess, on a case by case basis, whether the conditions that make the competition at issue unfair are in fact met. If these conditions are fulfilled, the conduct is unfair, irrespective of the time that has passed since the material was misappropriated. Thirdly, the way in which the copied database contents has been used in another product is not of relevance to the proposed unfair extraction right, whereas in assessing unfair competition, this is an important factor in weighing the unfairness of the conduct. Under the unfair extraction right, the unfairness is already present when a substantial part of a database or the whole database contents are used for commercial purposes,²⁹ while the tenet of unfair competition generally needs an assessment of other – nationally varying – conditions as well, such as confusion between products.³⁰ Fourthly, the unfair extraction right could be invoked against competitors as well as individual users, whereas unfair competition can only be invoked between competitors.

Important differences also come to light when the unfair extraction right is compared with the *sui generis* right as adopted in the final Directive. The unfair extraction right did not require databases to meet special conditions in order to be protected, as opposed to the adopted *sui generis* right which requires databases to represent a substantial investment. Furthermore, the *sui generis* protection in the final Directive is unambiguously restricted to the whole database, substantial parts thereof, or repeatedly used insubstantial parts.³¹ Moreover, unlike the *sui generis* protection, protection under the unfair extraction right was only available to databases with unprotected material.

In sum, the unfair extraction right in the First Proposal was designed as an absolute and exclusive right derived from the tenet of unfair competition.³² Compared to unfair competition, it set lighter conditions for applicability and furnished stronger protection during a more limited period of time. Compared to the *sui generis* right in the final Directive, the unfair extraction right did not require databases to represent a substantial investment. However, its protection was restricted to databases with unprotected contents and subjected to compulsory licensing.

29 According to art. 2(5). See, however, footnote 21.

30 For the conditions that have to be met for unfair competition in the Netherlands, France and Germany see Beunen 1997, pp. 88-129.

31 See footnote 21.

32 The Commission seriously doubted that this right could be implemented in the form of copyright or a neighbouring right, as it considered the right more similar to unfair competition or parasitic behaviour legislation. See the Explanatory Memorandum, p. 54 para. 10.

(e) Reception of the First Proposal

In 1992 the LAB approved the European Commission's introduction of additional protection next to copyright.³³ However, it again questioned the proposal's choice to cover only electronic databases. The EU's Economic and Social Committee (Ecosoc) criticised the proposed *sui generis* regime advocating a much stronger and longer protection for producers, comparable to copyright, which should be available for databases with or without copyrighted contents alike.³⁴ Interestingly, the Ecosoc questioned the concept of a new *sui generis* right; it pointed out that the Commission had itself rejected the introduction of such a right within the 1991 Computer Programs Directive.³⁵

Both the LAB and the Ecosoc cast doubt on the compulsory licensing provision. The LAB found that its introduction was too soon, since discussions on the matter had only just started with Magill filing a complaint with the European Commission in 1988.³⁶ Indeed, the provision was drawn up in a time when the decisions of the European Court of Justice in important cases like Magill and Bronner were still to come.³⁷ The Ecosoc considered competition law to be sufficient to fight abuses of exclusive rights.³⁸

1.2.2.2 The Amended Proposal

The European Commission presented an Amended Proposal in 1993, which improved the Directive's structure by housing copyright and the *sui generis* right in different chapters.³⁹ Furthermore, the term of protection of the *sui generis* regime was extended from ten to fifteen years at the request of the

33 Réunion du Legal Advisory Board, Luxembourg, DG XIII, 1 juillet 1992, Dossier No. 92/2: 1. La proposition de directive relative à la protection juridique des bases de données: synthèse des discussions.

34 Opinion of the Economic and Social Committee on the proposal for a Council Directive on the legal protection of databases, 24 November 1992, *OJEC* 1993 C 19/3.

35 This is also stressed by Gaudrat 1999-I, p. 87, who argues that a *sui generis* right should have been introduced for computer programs. The Computer Programs Directive is entitled in full Council Directive 91/250/EEC of 14 May 1991 on the legal protection of computer programs, *OJEC* 1991 L 122/42.

36 In this case, Irish and British broadcasting corporations enjoying copyright on TV programming information as monopolists refused to license their information to the company Magill, but were forced to do so by decision of the European Commission of 21 December 1988 (Magill TV Guide v. ITP, BBC and RTE, IV/31.851, *OJEC* 1989 L 78/43). This measure was suspended by the President of the European Court of Justice in RTE and others v. Commission, order of 11 May 1998, Cases 76/89 R, 77/89 R and 91/89 R (Magill), *ECR* 1989, p. 1141. However, the Commission's decision was confirmed both by the Court of First Instance and the European Court of Justice. See a discussion of the latter's judgment in section 5.2.2.1.

37 These judgments are discussed in section 5.2.2.

38 In chapter 5, the effectiveness of competition law and the compulsory licensing provision is dealt with in detail.

39 Amended Proposal for a Council Directive on the legal protection of databases, Brussels, 4 October 1993, COM(93) 464 final, *OJEC* 1993 C 308/1 (with an Explanatory Memorandum).

European Parliament.⁴⁰ Moreover, several terms used in the context of the *sui generis* right (or the right of unauthorised extraction)⁴¹ were specified. The provision on compulsory licensing was specified, as well, to set more stringent conditions for the issue of compulsory licences.⁴²

1.2.2.3 The 1995 Common Position

(a) Application to electronic and non-electronic databases alike

Two years passed⁴³ before the European Council arrived at its Common Position in 1995.⁴⁴ Several changes were made to the Amended Proposal. It was finally recognised that it was inappropriate to have different protection regimes for electronic and non-electronic databases. Moreover, this distinction was not upheld in the new TRIPS Agreement of the WTO and in the discussion rounds for a new WIPO Copyright Treaty, either, so that the Directive's definition of database was broadened to cover databases in any form.⁴⁵

(b) Additional exceptions

The Common Position also added more exceptions to the copyright and *sui generis* right regime. As to copyright, the First and the Amended Proposal only contained an exception favouring normal use by a lawful user. To this, the

40 Legislative resolution embodying the opinion of the European Parliament on the Commission proposal for a Council Directive on the legal protection of databases, 23 June 1993, OJEC 1993 C 194/144. This was based on a report drawn up by the European Parliament Committee on Legal Affairs and Citizens' Rights, namely European Parliament session document no. A3-0183/93. The European Commission did not adopt the requirement proposed by the European Parliament that a database should be protected against unauthorised extraction in accordance with international treaties, see footnote 26.

41 The First Proposal used the term 'unauthorised' as well as 'unfair', apparently considering them to be synonyms. The Amended Proposal chose only use to the term 'unauthorised'.

42 See the Amended Proposal, p. 7. A detailed description of this provision can be found in section 5.3.2.

43 In the meantime, the Bangemann Report (entitled in full: *Europe and the global information society. Recommendations to the European Council*) had been drawn up at the request of the European Council by the High-Level Group on the Information Society under the direction of Martin Bangemann, and was presented in Brussels on 26 May 1994. This report stressed the importance of maintaining a high protection level for intellectual property rights. It stated that existing legal regimes should be made fit for the new information society, while European initiatives such as the Database Directive should be completed with priority. At the same time, it advocated flexibility and efficiency in obtaining authorisation for the exploitation of works in favour of a dynamic European multimedia industry.

44 Common Position (EC) No. 20/95 adopted by the Council on 10 July 1995 with a view to adopting Directive 95/.../EC of the European Parliament and of the Council of ... on the legal protection of databases, OJEC 1995 C 288/14.

45 See footnotes 27 and 28. Also see the Common Position, p. 26, and section 2.1.

European Council added exceptions for private use of non-electronic databases,⁴⁶ for teaching or scientific research, and for public security or judiciary or administrative procedures. Besides, it permitted the Member States to apply their national copyright exceptions. The three new copyright exceptions just mentioned were also adopted in the chapter on the *sui generis* right, but here they were the only exceptions permitted.⁴⁷ Furthermore, following similar exceptions in the First and Amended Proposal, the Common Position prohibited *sui generis* right holders from preventing lawful users to use insubstantial parts for any purpose. This provision and the copyright exception for access and normal use were given obligatory force.

(c) *A new sui generis right*

The *sui generis* regime itself underwent important changes in the Common Position. Compared to the Amended Proposal, it was at the same time narrowed and broadened. As the rationale of this *sui generis* regime is to protect database producers against misappropriation of their investments in the production of databases, the European Council restricted its protection to producers who substantially invest in the obtaining, collection or verification of their database's contents. Another restriction was introduced by the Council through explicitly limiting the *sui generis* protection to the whole database or a qualitatively or quantitatively substantial part thereof.⁴⁸

On the other hand, a substantial broadening was attained by deleting the limitation that the *sui generis* right can only apply to databases of which the contents are not protected by copyright or neighbouring rights. The Council rightly saw no valid reason for this limitation.

Furthermore, the Council abolished the requirement that use must be made for commercial purposes in order to be infringing. Thus, the *sui generis* right lost precisely the characteristic which linked it to the tenet of unfair competition, and it was turned into yet another exclusive right related to the realm of intellectual property. Accordingly, the Council also specified that the *sui generis* right may be transferred, assigned or licensed, and it provided definitions for the terms 'extraction' and 'reutilisation', whereby the scope of this new right was established.

46 Here, the Council maintained the distinction between electronic and non-electronic databases in view of the ease with which electronic databases can be copied. Private use may only be made of non electronic databases, which is true for copyright and the *sui generis* right alike.

47 Although recital 52 permitted Member States which already had a right akin to the *sui generis* right to retain their exceptions to that right within the context of the *sui generis* right. See section 4.7.6.2.

48 Nevertheless, the Common Position also forbade the repeated and systematic use of insubstantial parts conflicting with a normal exploitation of the database. According to the Council, the 1993 Amended Proposal covered all database contents, including insubstantial parts. See the Common Position, p. 26.

Finally, the Council crossed out the compulsory licensing provision. It considered that there was no need for this now that the *sui generis* right no longer covered insubstantial parts, and now that specific exceptions were added to achieve a proper balance between the producer's and user's rights. Moreover, the 1995 judgment delivered by the European Court of Justice in the Magill case⁴⁹ – and presumably substantial lobbying by database producers – will also have considerably influenced the Council's decision. A new recital 47 referred to remedies available under general competition law. Moreover, a new provision required that recurrent evaluations of the Directive should give special attention to the occurrence of abuses of a dominant position through the *sui generis* right, in order to assess whether the reintroduction of compulsory licensing would be justified.⁵⁰

1.2.3 The final Database Directive

1.2.3.1 Adoption

The European Parliament, in its second reading within the codecision procedure, accepted the Common Position while proposing merely minor editorial amendments.⁵¹ It found the abolition of the compulsory licensing provision to be consequential, but not important enough to reject the Common Position altogether, and it approved of the instruction to the European Commission to evaluate especially this issue in its recurrent reviews of the Directive. Subsequently, the European Commission delivered its opinion on the Parliament's amendments, all of which were supported.⁵² Thus, the Database Directive was finally adopted on 11 March 1996.⁵³

49 RTE & ITP v. Commission, European Court of Justice 6 April 1995, joined cases C-241/91 P and C-242/91 P (Magill), *ECR* 1995, p. I-743. See a detailed discussion in section 5.2.2.1.

50 See section 5.3.

51 European Parliament Decision on the common position adopted by the Council with a view to adopting a European Parliament and Council Directive on the legal protection of databases, 14 December 1995, *OJEC* 1996 C 17/164. This was based on a recommendation for second reading drawn up by the European Parliament Committee on Legal Affairs and Citizens' Rights; European Parliament session document no. A4-0290/95.

52 Opinion of the Commission on the European Parliament's amendments to the Council's common position regarding the proposal for a directive of the European Parliament and of the Council on the legal protection of databases, Brussels, 10 January 1996, COM(96) 2 def.

53 Directive 96/9/EC of the European Parliament and of the Council of 11 March 1996 on the legal protection of databases, *OJEC* 1996 L 77/20. The Directive's text was officially accepted by a Council decision of 26 February 1996.

1.2.3.2 The *sui generis* right

The *sui generis* right ultimately adopted has the same wording as proposed in the Common Position. It is a right of intellectual property which shares many similarities with the neighbouring rights of phonogram producers and of broadcasting organisations.⁵⁴ Both rights are exclusive and absolute so that they may be invoked against anybody. Furthermore, both are granted as a reward for investments, as opposed to copyright which requires originality. Moreover, the right holders of both rights are not the actual makers but the producers, since they undertook the investments.

Von Lewinski presents four arguments to demonstrate that the *sui generis* right is not a form of unfair competition.⁵⁵ Firstly, the *sui generis* right provides protection against competitors as well as non-competitors. Secondly, the *sui generis* right is an exclusive right which is not affected by the specific circumstances of a case, as opposed to the tenet of unfair competition. Thirdly, the *sui generis* right cannot only be invoked *a posteriori*, like unfair competition, but also *a priori*. Fourthly, the *sui generis* right has a fixed term of protection, contrary to the tenet of unfair competition. More arguments have been put forward by Quaedvlieg.⁵⁶ He states that the *sui generis* right belongs to the rights of intellectual property and not to unfair competition, because the protection conferred by the *sui generis* right is aimed at a definite object. Moreover, the right's scope and term, as well as the right holder have all been defined beforehand.

1.3 METHODS OF IMPLEMENTATION

1.3.1 Introduction

According to the EC Treaty, a directive is binding on the EU Member States as to the result to be achieved, but it leaves the choice of form and methods to the national authorities.⁵⁷ To arrive at the harmonisation intended by the Database Directive, the implementing legislation of the Member States have to closely follow the Directive.⁵⁸ Its recital 32 reads:

54 This view is also supported by Cook 1996, p. 27; Garrigues 1997, p. 4 and Koumantos 1997, p. 97. Gaster 1999, p. 120 nos. 466-470 recognises these similarities as well, but stresses the right's *sui generis* character given that it is governed by the principle of reciprocity.

55 Von Lewinski in Walter 2001, pp. 763-764. Also see section 1.2.2.1d.

56 Quaedvlieg 2003, p. 93.

57 Art. 249(3).

58 Art. 249(3) of the EC Treaty does not preclude detailed directive provisions which restrict the Member States' freedom of implementation, provided that the directive's objectives would not be achieved without such detailed provisions, see Kapteyn/VerLoren van Themaat 2003, p. 239.

(...) Member States are required to ensure that their national provisions are at least materially equivalent in the case of such acts subject to restrictions as are provided for by this Directive.

In this way, ideally, copyright protection is granted to databases in all Member States subject to the same conditions, while the new *sui generis* right must be uniformly introduced everywhere. Since the *sui generis* right is a new and unknown right, the freedom to choose a form for its implementation is limited.⁵⁹ The Database Directive thus aims to introduce a uniform legal regime for databases within Europe.⁶⁰ Consequently, one might even wonder why the *sui generis* right was not introduced by way of an EU regulation, which is binding on all Member States without requiring transposition.

The two regimes of protection in the Database Directive may be implemented in the Member States by different methods. Gaster, who on behalf of the European Commission was involved in the process of drawing up the Directive, distinguishes three methods:⁶¹

- 1 Implementation of both copyright and the *sui generis* right in the copyright act.
- 2 Implementation of copyright in the copyright act and the introduction of free-standing provisions for the *sui generis* right.
- 3 Implementation of both copyright and the *sui generis* right in a free-standing statute.

Gaster argues that the new *sui generis* right is worthy of a separate statute since it is a right of its own without precedent. He favours the second and third implementation method, because both do not affect existing regulations and do justice to the difference in character between the two forms of protection granted by the Directive. The second method of implementation is effectuated in Belgium,⁶² the Netherlands, Portugal and the United Kingdom. No Member State chose to follow the third method.⁶³ However, the first method has been

59 Gaster 1997-II, p. 718 footnote 92 states that some provisions on the *sui generis* right have to be followed literally.

60 See Lai 1998, p. 32 and Cornish 1996, p. 1 who state that the Database Directive requires implementing uniform provisions as opposed to legislating merely a minimum standard of protection. According to the beginning of recital 48, it is indeed the Directive's aim to afford an appropriate and uniform level of protection for databases as a means to secure the remuneration of the database maker.

61 Gaster 1997-II, p. 719.

62 However, the *sui generis* right is considered here to be a neighbouring right.

63 We derived the information on the implementation methods in the EU Member States from the Nauta Dutilh Report 2002. Legislation on the protection of non-original databases in other European countries, with the exception of unfair competition or misappropriation legislation, was studied in WIPO document SCCR/8/3, 'Summary on Existing Legislation Concerning Intellectual Property in Non-Original Databases', 13 September 2002. It demon-

applied on a large scale within the EU, namely in Austria, Denmark, Finland, France, Germany,⁶⁴ Greece, Ireland, Italy, Luxembourg, Spain and Sweden.⁶⁵ The copyright acts in these Member States, which also include neighbouring rights, thus serve as umbrella statutes which accommodate all existing forms of intellectual property rights. Opponents may object that the *sui generis* right is thus denied its *sui generis* character. Nevertheless, the first technique of implementation must in our view be favoured as the *sui generis* right is comparable to the neighbouring right of phonogram producers.⁶⁶

1.3.2 The Netherlands

Since this study focuses on the effects of the Directive in the Netherlands, France and the United Kingdom, we will now discuss in more detail the considerations which led these countries to decide on a specific method of implementation.

The Dutch legislator considered transposing the Directive using either the first or the second of the above-mentioned methods. Transposing the whole Directive within the Copyright Act would have the advantage of the provisions being grouped all in one act.⁶⁷ The *sui generis* right would then be accommodated in a special chapter. However, it was also acknowledged that the Directive itself indicates that the *sui generis* right should not be seen as a form of copyright, but as a separate form of protection. Therefore, the Netherlands transposed the Directive by placing the copyright provisions in its Copyright Act and creating a separate act for the *sui generis* right, or ‘database right’ as it is called in the Netherlands. This act is the *Databankenwet* or, in English, the Databases Act and it entered into force on 21 July 1999.⁶⁸ This delay of 18 months – the Directive prescribes 1 January 1998 as the ultimate imple-

strates that many countries which have joined the European Union since 1 May 2004 (the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia) already had legislation based on the Database Directive. This is also true for the new EU Member State Romania, which is apparent from WIPO document SCCR/9/11 of 27 June 2003.

64 In Germany and Austria, the *sui generis* right is considered to be a neighbouring right. The same is true for Hungary, Iceland and Slovenia.

65 It was also followed in the Member States of the European Free Trade Association (Liechtenstein, Iceland and Norway) and in the EU Member States of Estonia, the Czech Republic, Hungary, Latvia, Lithuania, Malta, Slovakia and Slovenia.

66 See section 1.2.3.2.

67 Explanatory Memorandum, Kamerstukken II 1997/98, 26 108, nr. 3 (Memorie van Toelichting), p. 4.

68 Wet van 8 juli 1999, houdende aanpassing van de Nederlandse wetgeving aan richtlijn 96/9/EG van het Europees Parlement en de Raad van 11 maart 1996 betreffende de rechtsbescherming van databanken, *Staatsblad* 1999, 303. See Appendix 3 and an English translation in Appendix 4.

mentation date – was caused by an extensive and detailed preparation, which resulted in an abundance of parliamentary documents.⁶⁹

1.3.3 France

France has transposed the Directive entirely into its Copyright Act, the *Code de la Propriété Intellectuelle* 1997 (hereafter referred to as the CPI).⁷⁰ The CPI is a comprehensive act which contains rights of intellectual property as well as of industrial property. The choice to implement the *sui generis* right within the CPI was not questioned during the legislation process. Nevertheless, it was explicitly recognised that the *sui generis* right is of a different nature than copyright, as it is not linked to a creative process.⁷¹ It is thus remarkable that the French have accepted in their Copyright Act a right which is a reward for an investment instead of for originality.⁷² Since France traditionally reserves copyright for works which show the imprint of the author's personality, the French doctrine has only reluctantly accepted that copyright nowadays also extends to industrial products with a utilitarian character, such as computer programs. It is illustrative that in France, protection for computer programs in a form different from copyright was examined and introduced before

69 Oorspronkelijke tekst van het voorstel van wet en van de Memorie van Toelichting, zoals voorgelegd aan de Raad van State en voorzover nadien gewijzigd, Kamerstukken II 1997/98, 26 108, nr. A; Advies van de Raad van State en nader rapport, Kamerstukken II 1997/98, 26 108, nr. B; Voorstel van wet houdende aanpassing van de Nederlandse wetgeving aan richtlijn 96/9/EG van het Europees Parlement en de Raad van 11 maart 1996 betreffende de rechtsbescherming van databanken, Kamerstukken II 1997/98, 26 108, nr. 1 en 2; Memorie van Toelichting, Kamerstukken II 1997/98, 26 108, nr. 3; Nota van verbetering, Kamerstukken II 1997/98, 26 108, nr. 4; Verslag, Kamerstukken II 1998/99, 26 108, nr. 5; Nota naar aanleiding van het verslag, Kamerstukken II 1998/99, 26 108, nr. 6; Nota van wijziging, Kamerstukken II 1998/99, 26 108, nr. 7; Amendement van de leden Scheltema-de Nie en Wagenaar, Kamerstukken II 1998/99, 26 108, nr. 8; Motie van het lid Wagenaar c.s., Kamerstukken II 1998/99, 26 108, nr. 9; Motie van het lid Scheltema-de Nie c.s., Kamerstukken II 1998/99, 26 108, nr. 10; Motie van het lid Vos c.s., Kamerstukken II 1998/99, 26 108, nr. 11; Handelingen II 1998/99, pp. 3662-3674; Handelingen II 1998/99, p. 3746; Gewijzigd voorstel van wet, Kamerstukken I 1998/99, 26 108, nr. 227; Verslag van de vaste commissie voor Justitie, Kamerstukken I 1998/99, 26 108, nr. 227a; Nota naar aanleiding van het verslag, Kamerstukken I 1998/99, 26 108, nr. 227b; Handelingen I 1998/99, pp. 1592-1594.

70 The copyright provisions have been laid down in Book I which is devoted to copyright. Furthermore, a new title IV called 'Provisions on rights of producers of databases' has been created in the CPI for the *sui generis* right, which is placed in Book III (General provisions on copyright, neighbouring rights and rights of producers of databases).

71 See Brüning 1998, p. 382.

72 Several French authors regret the creation of the *sui generis* right altogether, as they argue that merely an investment cannot justify such a strong exclusive right, see Pollaud-Dulian 1996, p. 546; Gaudrat 1999-I, p. 88. The doctrine of unfair competition would have sufficed according to Mallet-Poujol 1996-I, p. 12; Pollaud-Dulian 1996, pp. 545-546; Lucas 1998, pp. 76-77, no. 161.

the 1991 Computer Programs Directive required the Member States to protect computer programs by way of copyright.⁷³

Interestingly, copyright issues in France belong to the scope of the Ministry of Culture, whereas in the United Kingdom, copyright matters are governed by the Department of Trade and Industry. Given the emphasis on culture and originality in French copyright law, the creation of a free-standing regulation for the *sui generis* right would have seemed more logical here. Implementing this right in the Copyright Act is an approach one would sooner expect in the United Kingdom, where copyright traditionally tends to protect an investment rather than originality.

The *sui generis* right is even more of an anomaly in the French CPI as it is assigned not to the actual creator – a central principle of the French *droit d'auteur* – but to the producer of the database, while no moral rights are attached to the *sui generis* right, either. Thus, it resembles the neighbouring rights for phonogram producers, videogram producers and audiovisual communication enterprises which are laid down in Book II of the CPI. In the French literature, the *sui generis* right has indeed been qualified as a neighbouring right by Edelman⁷⁴ and Lucas.⁷⁵ Nevertheless, unlike in Germany, the CPI separates the neighbouring rights from the *sui generis* right⁷⁶ by implementing this right not in Book II, but in a separate title in Book III.⁷⁷

The implementation in France went through a relatively short procedure after the first legislative proposal by the government was submitted on 22 October 1997.⁷⁸ The implementation was enacted through a law of 1 July

73 Lucas/Lucas 2001, p. 107, no. 111; Lucas 1987, pp. 214-215, no. 190. In 1985, the French legislator introduced computer programs in a special title in the CPI. This title contained provisions derogating from general copyright provisions, thus creating a special form of protection for software within the CPI. However, the implementation of the European Computer Programs Directive resulted in the disappearance of this special title.

74 Edelman 2000, p. 93.

75 Lucas 1996, no. 22; Lucas 1998, p. 75, no. 159 and p. 108, no. 222. Other French authors argue that the *sui generis* right is an intellectual property right: Mallet-Poujol 1996-I, pp. 9, 10; Gaudrat 1999-II, pp. 418-419. Pollaud-Dulian 1996, pp. 541, 542 considers the *sui generis* right to be a hybrid between an intellectual property right and an action for unfair competition. Gautier 2001, p. 185, no. 114 even calls the *sui generis* right a form of 'super unfair competition', while Goldstein argues that the *sui generis* right is the legal consecration of the notion of unfair competition (commenting on Tribunal de commerce Paris 18 June 1999 (SA France Télécom v. Sarl MA Editions et la SA Fermic devenue Iliad), *D.* 2000/5, jur., p. 105). However, the Exposé des motifs accompanying the first legislative proposal no. 383 of 22 October 1997, p. 3 states that the new right is legally distinct from *concurrence déloyale* and *agissements parasitaires*. These are French forms of unfair competition, also see section 4.6.6.

76 This was criticised by Lucas 1998, pp. 75-76, footnote 43.

77 See Françon 1999, p. 209.

78 Legislative proposal no. 383 issued on 22 October 1997 was followed by report no. 696 by Gérard Gouzès for the laws commission (commission des lois). The first reading by the National Assembly on 5 March 1998 resulted in the (unofficial) *Texte Adopté* no. 105. The official legislative proposal no. 344 (1997-1998) was then submitted to the Senate,

1998.⁷⁹ It was published on 2 July 1998 and entered into force on the same day.⁸⁰

1.3.4 The United Kingdom

With its Copyright and Rights in Databases Regulations 1997, hereafter referred to as the CRDR,⁸¹ the United Kingdom was among the first EU Member States to implement the Database Directive.⁸² It did so just in time, so that the CRDR came into force on the prescribed date of 1 January 1998.⁸³

The United Kingdom adopted the second of the above-mentioned implementation methods. The CRDR contain amendments and modifications to the British Copyright, Designs and Patents Act 1988 (CDPA) to accommodate the Directive's copyright chapter, while the *sui generis* right is laid down in free-standing provisions.⁸⁴ This is a remarkable choice, given that the CDPA is a very broad umbrella-like act which covers not only intellectual property, but also industrial property rights.⁸⁵ It includes, for example, the neighbouring rights for performers and it would therefore have been logical to implement

accompanied by report no. 395 (1997/1998) written by senator Charles Jolibois for the Senate's laws commission. After the first reading on 20 April 1998, the Senate adopted an amended *Texte Adopté* no. 122. Legislative proposal no. 866 was submitted for second reading to the National Assembly and after a second report (no. 927) by the Senate's laws commission written by Gérard Gouzès, the text was adopted on 6 June 1998, resulting in *Texte Adopté* no. 161 which became law no. 98-536 of 1 July 1998.

79 Loi no. 98-536 du 1er juillet 1998 portant transposition dans le code de la propriété intellectuelle de la directive 96/9/CE du Parlement européen et du Conseil, du 11 mars 1996, concernant la protection juridique des bases de données (1), *Journal Officiel de la République française* 1998, no. 151 du 2 juillet 1998, p. 10075. This law and an English translation are included in Appendices 5 and 6.

80 The provisions on the *sui generis* right were declared to retroactively take effect as from 1 January 1998.

81 Statutory Instrument 1997 No. 3032. See Appendix 7.

82 The United Kingdom came third after Germany and Sweden.

83 The draft CRDR was prepared by the Department of Trade and Industry (Patent Office, Copyright Directorate) in August 1997 and it was laid for consultation from August until 30 September 1997, accompanied by a Consultative Paper. After some changes, it was laid before Parliament on 6 November 1997. The House of Commons (Fourth Standing Committee on Delegated Legislation) approved it on 3 December 1997 and the House of Lords gave its approval on 18 December 1997.

84 The CRDR start with introductory provisions in Part I. Part II concerns the amendments to be made to the CDPA and Part III is dedicated to the *sui generis* right which the CRDR call 'database right'. The CRDR are followed by an explanatory note providing a short clarification of the regulations' contents. This explanatory note is not part of the official text of the CRDR.

85 No reasons were presented for this choice. Rowland 1997, para. 3b remarks that the separate (secondary) legislation for the *sui generis* right stresses its *sui generis* character. Nonetheless, she believes that the incorporation of this right into the primary legislation of the CDPA could have been argued for to provide one comprehensive statute.

the *sui generis* right in the Copyright Act, as was done in the majority of the Member States.

Another argument for this is provided by the fact that the *sui generis* right in the British CRDR – called ‘database right’ therein – is heavily modelled upon the copyright in the CDPA. Indeed, the CRDR declare several sections of the CDPA applicable to the database right, for example, provisions on transfer, assignment, licensing and remedies. This may be explained by the British government’s intention to maintain the level of protection available for databases as far as possible.⁸⁶ Thanks to its low copyright threshold, the United Kingdom used to amply afford copyright protection to databases.⁸⁷ However, as a result of the more stringent originality criterion prescribed by the Database Directive, copyright will no longer be available to many British databases. The British government sought to ease the pain as much as possible by largely grafting the *sui generis* right onto copyright. For example, the CRDR took the liberty to specify the database right by introducing Crown and Parliamentary makership, as does the CDPA for copyright.

1.4 THE WIPO DRAFT DATABASE TREATY OF 1996

In 1996, the same year in which the Database Directive was adopted, the World Intellectual Property Organisation held a conference in Geneva to discuss the adoption of three draft treaties.⁸⁸ These treaties were meant to supplement the Berne Convention, updating it for the digital era. One of them was the Draft Database Treaty, in which the strong influence of the European Database Directive was felt.

As from 1987, the WIPO had been developing thoughts on the protection of databases. Its Committee of Experts on a Possible Protocol to the Berne Convention held sessions in November 1991 and February 1992, in which agreement was reached on copyright protection for original compilations of data, to be provided by the new Copyright Treaty.⁸⁹ Moreover, a further study was announced on possible protection for non-original databases, for which the EU supplied information in 1995 on the *sui generis* right in its upcoming Database Directive. In the first half of 1996, both the EU⁹⁰ and the United

86 Consultative Paper accompanying the first draft of the CRDR, pp. 1-2 (Summary).

87 See section 3.2.4 on the British threshold.

88 For the meeting of the WIPO, draft texts were submitted for a Copyright Treaty, a Performances and Phonograms Treaty and a Database Treaty.

89 At the same time, the World Trade Organisation worked on an Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), which was eventually adopted in 1994. Its draft text of December 1991 included compilations of data or other material as being eligible for copyright.

90 WIPO document BCP/CE/VI/13 was submitted to the Committee’s session in February 1996.

States⁹¹ submitted discussion papers on *sui generis* protection to the WIPO Committee of Experts. The Committee then worked quickly to draw up a draft text for a database treaty on *sui generis* protection. It was entitled in full 'Draft Treaty on Intellectual Property in Respect of Databases',⁹² thus categorising the *sui generis* right as part of the family of intellectual property rights.

The WIPO Draft Treaty is basically a combination of the Database Directive and the US proposal. It does not deal with copyright but concentrates on the *sui generis* right. It adopted the approach of the Directive, according to which the *sui generis* right protects against acts of competitors as well as of individual users. The US proposal instead contained a *sui generis* right which could merely be invoked to prevent actual or potential competitive harm, leaving non-competitive uses free.

The draft text of the WIPO Database Treaty was published in September 1996 and distributed among the states, intergovernmental organisations and non-governmental organisations invited to WIPO's 1996 diplomatic conference.⁹³ The preamble to the Treaty contains the considerations for introducing *sui generis* protection:

Desiring to enhance and stimulate the production, distribution and international trade in databases,
Recognizing that databases are a vital element in the development of a global information infrastructure and an essential tool for promoting economic, cultural and technological advancement,
Recognizing that the making of databases requires the investment of considerable human, technical and financial resources but that such databases can be copied or accessed at a fraction of the cost needed to design them independently,
Desiring to establish a new form of protection for databases by granting rights adequate to enable the makers of databases to recover the investment they have made in their databases and by providing international protection in a manner as effective and uniform as possible.

During the WIPO conference held in Geneva in December 1996, however, the Draft Database Treaty was neither negotiated nor adopted. Doubts had been

91 WIPO document BCP/CE/VII/2-INR/CE/VI/2 was submitted to the Committee's session in May 1996. The U.S. proposal was based on the domestic bill H.R. 3531, the Database Investment and Intellectual Property Antipiracy Act of 1996. This bill borrowed heavily from the *sui generis* right in the European Database Directive, and even went further by granting 25-year protection, prohibiting the circumvention of database protection systems and tampering with database management information. Contrary to the Database Directive, it could merely be invoked to prevent actual or potential competitive harm, leaving non-competitive uses free. However, the need for *sui generis* protection was, and still is, greatly disputed in the United States. Efforts to enact *sui generis* legislation here failed up until 2004 (108th Congress), when the latest bill under discussion was the Consumer Access to Information Act of 2 March 2004, H.R. 3872. Also see Trosow 2005 and Band 2005.

92 WIPO document CRNR/DC/6, see Appendix 2 in this study. Also see Love 1996.

93 See extensively Davison 2003, pp. 226-234.

expressed on the insertion of a new topic so late in the consultation process and, more importantly, several countries were not convinced of the need for *sui generis* protection.⁹⁴ Furthermore, with two other treaties to discuss and adopt, the conference ran short of time.⁹⁵ It merely adopted a recommendation on databases, stressing the importance of balancing the interests of database producers and users, and announcing a further study of the implications and benefits of *sui generis* protection at an international level, together with further work on the Draft Treaty.

In the subsequent years, the *sui generis* protection for databases remained on the agenda during nearly all sessions of WIPO's Standing Committee on Copyright and Related Rights.⁹⁶ Moreover, many studies were presented to the WIPO on the economic impact that the protection of non-original databases would have in several countries, such as India, China, and Latin America. Despite, or thanks to, all these studies, dissension among the countries prevails, so that the introduction of *sui generis* protection for databases on a worldwide scale is not to be expected in the short term.⁹⁷

1.5 A GENERAL OVERVIEW OF THE DIRECTIVE

The following overview provides a general comment on each article of the Database Directive, while taking its recitals into account. The large amount of sixty recitals which forego the articles are not binding, but offer guidelines for understanding and interpreting the articles. We have also made use of the treatise on the Database Directive written by Gaster, who on behalf of the European Commission was involved in the process of drawing up the Direc-

94 Also see Lucas/Lucas 2001, p. 637, no. 817-3.

95 Von Lewinski 1997, p. 204.

96 Reports of these meetings from 1997 up to 2004 are in WIPO documents DB/IM/7 (1997), SCCR/1/9 (1998), SCCR/2/11 (1999), SCCR/3/11 (1999), SCCR/5/6 (2001), SCCR/6/4 (2001), SCCR/7/10 (2002), SCCR/8/9 (2002), SCCR/9/11 (2003), SCCR/11/4 (2004), and SCCR/13/6 (2005).

97 An officer of WIPO's Copyright and Related Rights Sector remarked in 2002: 'While it may not be likely that there would be any major movement at the international level on this matter in the near future, WIPO will continue to follow developments at national and regional levels', see Tabuchi 2002, p. 5. In 2003, the Standing Committee concluded that the issue need not be kept on the agenda, after some countries had suggested postponing it to a more suitable time in the future given that there was little agreement on the subject, see WIPO document SCCR/9/11 of 2003. Also see Davison 2003, p. 234. However, the issue again appeared on the agenda in 2004 and in 2005, when it was decided that it would only appear on the agenda again at the request of Member States or in order to share information about developments.

tive.⁹⁸ The overview below merely aims at giving a brief insight into the Directive's contents, while several key concepts will be subject to an in-depth discussion in the subsequent chapters.

CHAPTER I – SCOPE

1.5.1 Article 1 Definition

According to its first article, the Directive covers databases in any form. It thus includes electronic and non-electronic databases, as well as databases in new forms yet unknown. Article 1 continues with the definition of a database,⁹⁹ which reads:¹⁰⁰

a collection of independent works, data or other materials arranged in a systematic or methodical way and individually accessible by electronic or other means

Article 1 ends by stating that the Directive's protection regimes do not cover 'computer programs used in the making or operation of databases'. According to Gaster,¹⁰¹ the Directive meant to exclude all computer programs.¹⁰² It follows that the protection under the Directive does not extend to software which provides access to and enables searching in electronic databases. Recital 20 states that this protection may also apply to the materials necessary for the operation or consultation of databases such as thesaurus and indexation systems.¹⁰³ Thesauri and indexes sometimes form an integral part of database software. Gaster remarks that if these parts meet the database definition, then they are protected as such.¹⁰⁴ Thus, parts of computer programs may be

98 Jens-Lienhard Gaster, *Der Rechtsschutz von Datenbanken: Kommentar zur Richtlinie 96/9 EG; mit Erläuterungen zur Umsetzung in das deutsche und österreichische Recht*, Köln-Berlin-Bonn-München: Heymanns Verlag 1999 (hereafter referred to as: Gaster 1999). He mentions in the preface that the views expressed are his own, and that the European Commission is not bound by them.

99 Chapter 2 gives a detailed study of all the components of this definition.

100 The definition in the WIPO Draft Database Treaty has a very similar wording in art. 2(i) in conjunction with art. 1. It also specifies that its (*sui generis*) protection extends to databases regardless of whether or not they are made available to the public, whereas the Directive leaves this as implicit for both copyright and the *sui generis* right.

101 Gaster 1999, p. 44 no. 103.

102 The WIPO Draft Database Treaty is clearer as it declares that its protection 'shall not extend to any computer program as such, including without limitation any computer program used in the manufacture, operation or maintenance of a database'.

103 Gaster 1999, p. 42 no. 97 remarks that thesauri and indexation systems are in fact the only parts of a database to which the protection can apply.

104 Gaster 1999, p. 42 no. 99. Reichman/Samuels 1997, pp. 132-134 argue that other components of a computer program, such as an interface, may also qualify for protection as a database.

eligible for the Directive's protection,¹⁰⁵ while computer programs as such are not.¹⁰⁶

1.5.2 Article 2 Other EU copyright legislation

Article 2 states that the Database Directive leaves other EU provisions on copyright matters unprejudiced. It mentions the protection of computer programs, the rental and lending right and the term of copyright protection, which are topics already covered by other EU directives. Art. 2 was only inserted in 1995 by the European Council's Common Position to avoid any uncertainty.

CHAPTER II – COPYRIGHT

1.5.3 Article 3 Condition for copyright

1.5.3.1 *The author's own intellectual creation*

The Directive's chapter on copyright opens with article 3, which contains the condition for copyright protection. Its aim is to harmonise the originality criterion for databases throughout the EU.¹⁰⁷ A database is original if it is 'the author's own intellectual creation'. So far, this European criterion has also been prescribed for computer programs¹⁰⁸ and photographs.¹⁰⁹ With databases, the required originality must be present in the selection or arrangement of its contents.

1.5.3.2 *Structure versus contents*

The copyright protection supplied by the Database Directive covers the original structure of a database, meaning its selection and/or arrangement.¹¹⁰ As a

105 It is stated in note 1.15 of the WIPO Draft Database Treaty: 'A computer program can include collections of data or other materials that are not part of the set of instructions that form the operative core of the computer program. According to the proposed Treaty, such databases incorporated in computer programs are protected in the same way as any other databases.'

106 Lucas/Lucas 2001, pp. 112-113, no. 114 object that the law thus forcibly attempts to separate matters which, technically speaking, are difficult to dissociate.

107 See section 3.2.1 for a more detailed discussion of this criterion.

108 Art. 1(3) of Council Directive 91/250/EEC of 14 May 1991 on the legal protection of computer programs, *OJEC* 1991 L 122/42.

109 Art. 6 of Council Directive 93/98/EEC of 29 October 1993 harmonising the term of protection of copyright and certain related rights, *OJEC* 1993 L 290/9.

110 See recitals 15 and 35.

rule, copyright does not protect ideas, procedures or methods as such.¹¹¹ However, the expression of an idea or method in the form of a concrete product might be. Analogously, in order to be eligible for copyright, a database needs content to have its structure expressed.¹¹²

In accordance with art. 3(2) of the Directive, it is the expressed structure, and not the particular contents in themselves, which is the subject of copyright. This may, however, be challenged. Because the contents are indispensable for the structure to be expressed, the copyright arguably in fact rests on the very contents. This may be illustrated by a database containing a personal, original selection but a banal arrangement, for example, a literary critic making a compilation of his hundred favourite poems, arranged in alphabetical order according to the names of the poets.¹¹³ It is the selection which is original, which in practice means that the copyright rests on the selected poems as a whole and/or parts which are large enough to display this selection.¹¹⁴

1.5.4 Article 4 Copyright authorship

1.5.4.1 *The right holder of copyright*

According to article 4, copyright is owned by the author of the database, being the natural person(s) who actually created the database, or the legal person designated as the copyright holder by national legislation. As for works made in collaboration, the second paragraph declares that Member States which have a special regime for so-called collective works may apply this to databases. This regime exists in France,¹¹⁵ Italy, Portugal and Spain. It vests copyright in the person at whose initiative and under whose direction the work was made.¹¹⁶ For other works made by a group of natural persons, art. 4(3) stipulates that copyright in such a work is owned jointly.

It should be noted that the Database Directive only assigns copyright to the person(s) who designed the original selection or arrangement of the contents of the database. Therefore, if the selection or arrangement is made by only one person, the regimes for collective works or joint works are irrelevant.

111 See, for example, art. 2 of the WIPO Copyright Treaty.

112 See the beginning of art. 5 speaking of 'the expression of the database which is protectable by copyright'.

113 This example was put forward by Laddie/Prescott/Vitoria 2003, pp. 1069-1070, para. 30.28.

114 According to Laddie/Prescott/Vitoria 2003, p. 1070, para. 30.28 footnote 2, art. 3(2) should be read as a prohibition on the copyright extending to the contents individually, but not to the database as a whole.

115 We dwell on the French regime of *œuvres collectives* in section 3.3.3.

116 Compare, for example, art. 7 of the Italian Copyright Act which considers as the copyright holder the person who organises and directs the creation of the work.

1.5.4.2 *Optional employer's copyright*

The 1992 proposal for the Database Directive included a provision which assigned copyright to the employer. It read that when a database is created by an employee under the control of the employer, the latter is entitled to exercise all economic rights, unless otherwise provided.¹¹⁷ This provision matched the authorship provision in the Computer Programs Directive.¹¹⁸ However, Gaster mentions that the harmonisation of employers' copyright for databases was politically controversial, so that this employer provision was ultimately removed.¹¹⁹ The final Directive leaves the Member States free to designate the employer as the copyright holder.¹²⁰

1.5.5 Article 5 Scope of copyright

1.5.5.1 *The rights covered*

Article 5 lists the exclusive economic rights enjoyed by the copyright holder. The Directive is not concerned with moral rights, for which it refers to the national legislation of the Member States.¹²¹ It does the same for the term of copyright protection. In 1993, a directive harmonised this term throughout the European Union. Accordingly, a database is protected from its creation until 70 years after the death of its author.¹²²

The exclusive rights of the author are, in short, the rights of reproduction, adaptation,¹²³ distribution, and communication to the public. These rights are all known in existing copyright law. The first three rights are, for example, also encountered in the Computer Programs Directive,¹²⁴ while the right of

117 Art. 3(4) of the 1992 proposal and of the 1993 Amended Proposal.

118 Art. 2(3). Interest groups supported this correspondence, stressing the similarity between the production of databases and computer programs, which often form part of databases. In their opinion, an identical provision on employer copyright for computer programs and databases would serve legal certainty. Also see Gaster 1999, p. 79 no. 275.

119 Gaster 1999, p. 80 no. 279.

120 Recital 29. The Dutch, British and Italian Copyright Acts contain such a provision. France considered introducing it but eventually refrained from doing so, see section 3.3.2.

121 Recital 28.

122 Art. 1(1) of Council Directive 93/98/EEC of 29 October 1993 harmonizing the term of protection of copyright and certain related rights, *OJEC* 1993 L 290/9.

123 In full, this is the right of 'translation, adaptation, arrangement and any other alteration' in art. 5(b). Translation, however, is difficult to relate to the copyright's subject, the database's original structure. How can this structure be translated? Indeed, Gaster 1999, p. 85 nos. 302-303 admits that this translation right has no practical significance.

124 Art. 4.

communication to the public was introduced in the 1996 WIPO Copyright Treaty.¹²⁵

1.5.5.2 Temporary reproductions

The reproduction right in art. 5 includes the making of temporary reproductions. The reason for this was to stand up to the ease of digital copying.¹²⁶ By now, however, the Copyright Directive of 2001 has restricted the broad scope of the reproduction right. It has introduced a mandatory exception for temporary reproductions of a technological nature which lack economic significance.¹²⁷ Given that the Copyright Directive aims at an EU-wide copyright harmonisation, the broad reproduction right in the Database Directive will have to be brought into line with this compulsory exception.¹²⁸ This has indeed been acknowledged by the European Commission, which advocates the adoption of this exception for both copyright and the *sui generis* right.¹²⁹ Thus, it is expected that this obligatory exception will be introduced in the Database Directive on the occasion of a review.

1.5.6 Article 6 Exceptions to copyright

1.5.6.1 Introduction

Article 6 mentions four copyright exceptions. They all permit the use of both a whole database or a large part thereof. The first paragraph of art. 6 obligatorily authorises a lawful user to access a database and make normal use of it. Paragraph 2 contains the other three exceptions, which concern private use of non-electronic databases,¹³⁰ illustration for non-commercial teaching or scientific research, and public security or administrative or judicial pro-

125 Art. 8 of the WIPO Copyright Treaty, adopted by the WIPO Diplomatic Conference in Geneva, on December 20, 1996. This right was subsequently adopted in the 2001 Copyright Directive, as well.

126 Gaster 1999, p. 84 no. 297.

127 Art. 5(1) of Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society, *OJEC* 2001 L 167/10.

128 The Computer Programs Directive arguably needs a similar revision since it contains the same broad reproduction right as the Database Directive.

129 Commission staff working paper on the review of the EC legal framework in the field of copyright and related rights, Brussels, 19 July 2004, SEC(2004) 995, pp. 3, 7, and 8. Also see section 3.4.1.

130 For example, it may be allowed to scan a non-electronic database. Gaster 1999, p. 99 no. 378 states that this private use exception only covers reprography – photocopying on paper – but no indications are given for this in the Directive or its accompanying legislative documents. Instead, we are of the opinion that the term reproduction in art. 6(2)(a) covers reproductions in any form, which is in accordance with art. 5(a).

cedures.¹³¹ The Member States are free to adopt one or more of these three exceptions, while they are also allowed to maintain their national exceptions.¹³² In view of the Directive's aim, i.e. harmonisation, this has met with legitimate criticism.¹³³

Paragraph 3 contains a provision which is based on the three-step test of art. 9(2) of the Berne Convention. The European Council added this paragraph 'so that the exceptions under paragraphs 1 and 2 do not unduly upset the balance between the rights of the author of the database and those of the lawful user'.¹³⁴

Art. 6 does not obligatorily stipulate that (or when) a database author has to be financially compensated for the use made in accordance with the exceptions. Thus, it is probably for the Member States to regulate whether or not authors receive fair compensation.¹³⁵ The provision also does not explicitly require that the database has been legitimately made available to the public.¹³⁶ Nevertheless, it is a copyright principle that a work may only be used by others after the author has decided to make it available to the public. Therefore, this requirement should be presupposed for art. 6.

1.5.6.2 Access and normal use for the benefit of the lawful user

Art. 6 starts by compulsorily leaving a lawful user free to use a database for the purposes of access to and normal use of the contents. This provision is meant as a minimum use right which cannot be overridden by contract.¹³⁷ The Directive adds that when a user has permission to use only a part of the database, art. 6(1) is merely applicable to that part. Yet, when a contract permits the use of only a small part, the user has no need to invoke art. 6(1) since the use of a small part does not infringe copyright anyway. When an author chooses to prohibit a large part of his database from being used, this could considerably constrain the compulsory character of art. 6(1). Arguably, such a prohibition might also result in a severe curtailment of the user's freedom to access that database and make normal use thereof. Still, this provision was declared obligatory precisely to prevent this minimum user's right from being overridden by contract. There may thus be an internal contradiction

131 These exceptions will be discussed in detail in section 3.4.3.

132 Provided that they are not contrary to the exceptions in art. 6 and that they are, in conformity with art. 6(3), consistent with art. 9(2) BC. The provision arguably leaves room for new exceptions to be introduced in the national copyright acts on the occasion of the implementation of the 2001 Copyright Directive, see section 3.4.3.6.

133 Gaster 1999, p. 98 no. 363 admits that only partial harmonisation will be attained in this respect.

134 Common Position, p. 25. The Council also points at a similar provision in art. 6(3) of the Computer Programs Directive, which concerns decompilation.

135 It was similarly regulated in recital 36 of the Copyright Directive.

136 As opposed to its art. 9.

137 In conformity with art. 15.

in art. 6(1).¹³⁸ Moreover, a contract limiting the parts that may be used may also thwart the other three copyright exceptions in art. 6.

Art. 6(1) requires the user to be a 'lawful user'.¹³⁹ It is, however, not mentioned as a requirement for the other three exceptions in paragraph 2. Nevertheless, this notion appears again in arts. 8 and 9 concerning the *sui generis* right. Recital 34 suggests that a lawful user should be in possession of a licence agreement. However, it has been argued in the literature that someone who uses a database in accordance with the legal exceptions is a lawful user as well.¹⁴⁰

CHAPTER III – SUI GENERIS RIGHT

1.5.7 Article 7 Condition and scope of the *sui generis* right

1.5.7.1 Introduction

The crucial article 7 introduces the new *sui generis* right. It describes the condition for protection by this right, as well as its scope. The *sui generis* right is conferred on databases whose production required a substantial investment. Thus, the object of protection is the database itself, while the reason for protection – and its condition at the same time – is the substantial nature of the investment made.¹⁴¹ As opposed to copyright, no originality is needed but a mere investment suffices.

1.5.7.2 The condition of a substantial investment

Although it was left undefined in the Directive, the substantial investment criterion represents an important notion as it is the sole condition for protection by the *sui generis* right. According to the Directive, the required investment must be qualitatively and/or quantitatively substantial and be made either in the obtaining, verification and/or presentation of the database's contents. It provides no further clarification of the precise height of the substantiality

138 Although, theoretically, this contradiction may perhaps not exist in a situation where the part which a user is permitted to use qualifies as a database in itself (see section 4.5.2.2).

139 A corresponding provision is in art. 5(1) of the Computer Programs Directive. This provision, however, uses the terms 'lawful acquirer' and 'the person having a right to use the computer program'.

140 We support this view, see section 4.7.2.

141 Speyart 1996-II, p. 172; Koumantos 1997, p. 117. On the other hand, Chalton 2001, p. 299 argues that the Directive 'does not adequately define the object of protection of the *sui generis* right. There is a conflict between protecting investment, protecting the database as a collection and protecting information contained in or derived from a substantial part of its contents.'

threshold.¹⁴² This requires the courts to make an assessment on a case by case basis, just like the originality concept requires in copyright law.¹⁴³ An assessment of the substantial investment criterion depends on factors such as the database's size and subject-matter.¹⁴⁴ Thus, a 'substantial investment' is a relative notion. For this reason, it will be difficult for the European Court of Justice to develop a general standard for a uniform interpretation of the substantial investment criterion.

The recitals give an indication as to which investments are relevant. Recital 39 remarks that protection is provided for 'the results of the financial and professional investment'. No explanation of 'professional' is given, but in our opinion it includes a database created by a scientific researcher within the framework of his research, irrespective of whether or not he made it in his spare time. Indeed, recital 40 states that the investment may take the form of money and/or time, effort and energy.¹⁴⁵ From this it may be deduced that costs for mass production of databases are not required for meeting the substantial investment criterion; a database may still represent a substantial investment without being produced in mass numbers. The WIPO Draft Database Treaty is clearer on this issue, as it explicitly states that databases are eligible for protection regardless of whether or not they have been made available to the public.¹⁴⁶

1.5.7.3 *The rights of extraction and reutilisation*

Art. 7 continues in paragraph 2 by defining the rights of extraction and reutilisation. They are absolute rights which may be transferred, assigned or licensed. Their protection only extends to the database as a whole or substantial parts thereof;¹⁴⁷ small parts or individual elements are not covered.¹⁴⁸

142 The same condition was adopted in the WIPO Draft Database Treaty, where it was defined as: 'any qualitatively or quantitatively significant investment of human, financial, technical or other resources in the collection, assembly, verification, organisation or presentation of the contents of the database' in art. 2 in conjunction with art. 1(1). This definition does not provide further clarification either, since the term 'significant' is as vague as 'substantial'.

143 The interpretation of the term 'substantial investment' is extensively discussed in section 4.2.

144 See Koumantos 1997, p. 119. Note 2.07 of the WIPO Draft Database Treaty states that the assessment must be based on objective criteria, see Appendix 2.

145 This is reminiscent of the British copyright criterion of skill, labour and money, see section 3.2.4. The WIPO Draft Database Treaty requires financial resources and/or human resources, see its note 2.07: 'The human resources may, in addition to the "sweat of the brow", consist of the contribution of ideas, innovation and efforts that add to the quality of the product. The protection of a database does not, however, depend upon innovation or quality; mere investment is sufficient.'

146 Note 1.13.

147 See section 4.5 on the substantial part concept.

148 The *sui generis* right provides a cumulative protection regime which leaves other rights in the database or its contents unprejudiced, in accordance with art. 7(4).

The scope of the rights of extraction and reutilisation is similar to that of the economic rights belonging to copyright. The extraction right corresponds to the reproduction right, while the reutilisation right encompasses the rights of distribution and communication to the public.¹⁴⁹ Still, the scope of both the rights of extraction and reutilisation does not appear to be easy to interpret in concrete cases. As we will point out in chapter 4, the national courts of the three Member States which we studied struggle with it, especially where the Internet is concerned.

1.5.7.4 Repeated and systematic use of insubstantial parts

Art. 7 ends with a safeguard clause in paragraph 5, prohibiting the repeated and systematic use of insubstantial parts, provided that such use conflicts with a normal exploitation of the database or unreasonably prejudices the legitimate interests of its maker. The end of this provision matches the last two conditions of the three-step test in art. 9(2) BC and art. 13 TRIPS Agreement, which instead apply to copyright exceptions.¹⁵⁰ Art. 7(5) of the Directive regulates a special form of *sui generis* right infringement, being the repeated and systematic use of insubstantial parts which eventually amounts to the infringing use of a substantial part.¹⁵¹

Several important questions still remain.¹⁵² Is there a maximum time span within which the extraction and/or reutilisation of insubstantial parts must have taken place in order to be considered systematic and repeated? Should the acts be carried out with malicious intent? Can an intermediary be held liable for systematic use made by its users?¹⁵³ The fact that the provision is worded as a prohibition could evoke the question whether the *sui generis* right holder is still entitled to permit the forbidden acts in a contract.¹⁵⁴

1.5.7.5 The right holder of the *sui generis* right

The Directive lacks an article that defines the holder of the *sui generis* right. Art. 7 mentions that the *sui generis* right is assigned to 'the maker of the database', while a definition is only to be found in a recital. This definition

149 See sections 4.4.2 and 4.4.3 on the scope of the extraction right and the reutilisation right respectively.

150 See sections 4.6.2 to 4.6.4 on this 'two-step test' in art. 7.

151 Gaster 1999, p. 139 no. 561. Compare art. 2 of the WIPO Draft Database Treaty which defines a substantial part as 'any portion of the database, including an accumulation of small portions, that is of qualitative or quantitative significance to the value of the database'.

152 Pollaud-Dulian 1996, p. 543 observes that this provision entails difficult questions of proof and of qualification.

153 This issue is dealt with in section 4.4.5.

154 He may do so in the Netherlands, the United Kingdom and France, where art. 7(5) is implemented as an exclusive right of the *sui generis* right holder. In Italy, on the other hand, the provision is worded as a prohibition, like in the Directive.

in recital 41 would have been better placed in a separate provision, just like in the WIPO Draft Database Treaty. Recital 41 defines as the maker the person who takes the initiative and the risk of investing. According to the Draft Database Treaty, the maker of a database is the natural or legal person or persons with control and responsibility for the undertaking of a substantial investment in making a database.¹⁵⁵ We are inclined to prefer the Draft Treaty's right holder definition instead of that of the Directive as the Draft Treaty specifies that the investment made by the maker must be substantial.¹⁵⁶

1.5.8 Article 8 Rights and obligations of lawful users

1.5.8.1 Introduction

Article 8 contains three prohibitory provisions; the first is addressed to the *sui generis* right holder and the other two to the lawful user. They cannot be overridden by contract.¹⁵⁷ The provisions in art. 8 only apply to databases which have been made available to the public. Although an unpublished database may be protected by the *sui generis* right in the same way as a published database, third parties may only use a published one. This is consistent with a fundamental principle in copyright law.¹⁵⁸ An important question which the Directive does not address is who may decide whether the database will be made available. Is it the copyright holder or the *sui generis* right holder, or both together? A joint decision would have our preference.¹⁵⁹

1.5.8.2 The right to use insubstantial parts without authorisation

Paragraph 1 does not allow the *sui generis* right holder to prevent a lawful user¹⁶⁰ from using insubstantial parts of the database for any purpose.¹⁶¹

¹⁵⁵ Art. 2(iii), in conjunction with art. 4.

¹⁵⁶ Section 4.3 extensively deals with the interpretation of the Directive's definition.

¹⁵⁷ According to art. 15.

¹⁵⁸ See the analysis of art. 6 in section 1.5.6.1. This principle must be considered to apply to art. 7(5) as well.

¹⁵⁹ Similarly, a moral right in French film copyright (art. L. 121-5 CPI) entails that a film is considered completed when there is a common agreement on the film's final version between the film producer on the one hand, and the director and the other right holders, on the other. The introduction of an equivalent provision for databases was considered in France, but ultimately declined.

¹⁶⁰ See section 4.7.2 on this notion.

¹⁶¹ Moreover, it stipulates that where a user has permission to use only a part of the database, art. 8(1) only applies to that part. This raises the same objection as we noted in section 1.5.6.2 in our analysis of art. 6(1). Another question which the Directive left undecided is whether a third party who lawfully acquires a database from a lawful user, is bound by the pro-

This provision may perhaps seem superfluous, as the taking of such small parts anyhow falls outside the scope of the *sui generis* right. Still, the usefulness of this provision arguably follows from its compulsory character, which ensures that no contract may override this freedom.¹⁶² Still, art. 8(1) recognises that the *sui generis* right holder has the right to permit the use of only a part of the database.¹⁶³

Gaster calls art. 8(1) the equivalent of art. 6(1) for copyright.¹⁶⁴ However, art. 8(1) only allows the use of insubstantial parts, which the *sui generis* right does not cover anyway, whereas art. 6(1) exempts acts which are otherwise covered by copyright. Moreover, art. 8(1) permits certain acts for any purpose, whereas art. 6(1) merely permits acts necessary for access to and normal use of the database. For example, art. 6(1) implies that someone who acquired a database on a CD-ROM may make a back-up copy of it to store it on his computer's hard disk. The Computer Programs Directive explicitly and compulsorily permits this for software,¹⁶⁵ and an analogous permission is desirable for databases protected by the *sui generis* right, as well, otherwise their normal use may be hindered.

On the occasion of a revision of the Directive, it may thus be recommendable to include a real parallel to art. 6(1) in art. 9.

1.5.8.3 Prohibition on harming the interests of the *sui generis* right holder and other right holders

The second paragraph contains a safeguard clause which generally prohibits lawful users to perform acts that conflict with a normal exploitation of the database or unreasonably prejudice the legitimate interests of its maker.¹⁶⁶ Where an insubstantial part of a database is concerned, this provision could thwart the scope of the *sui generis* right, which obligatorily does not extend to the taking of an insubstantial part.¹⁶⁷ This is unless it is done repeatedly and systematically, which is prohibited in art. 7(5). Verkade and Visser thus suggest that art. 7(5) is equivalent to art. 8(2).¹⁶⁸ On the other hand, if art.

ducer's restricted use permission as well. See Verkade/Visser 1999, pp. 15-16, who deny this for the Netherlands.

162 In conformity with art. 15. Gaster 1999, p. 145 nos. 585 and 590 argues that the aim of paragraph 1 is to protect users from *contra legem* contractual extensions of the *sui generis* right by its right holder. Also see Verkade/Visser 1999, p. 15.

163 So does art. 6(1), see our comments in section 1.5.6.2. Brazell in Rees/Chalton 1998, p. 77 remarks that the impact of the lawful user's rights may be minimised by the careful drafting of licences so that the user becomes a lawful user only in respect of limited parts of the database and with limited forms of permitted use.

164 Gaster 1999, p. 144 no. 580.

165 Art. 5(2) of the Computer Programs Directive.

166 We will elaborate on this 'two-step test' in section 4.6.2.

167 Also see art. 8(1) in conjunction with art. 15.

168 Verkade/Visser 1999, p. 17.

8(2) is meant as a *general* prohibition on harming the right holder's interests,¹⁶⁹ it may perhaps coincide with existing rules on tort or unfair competition. If so, this might already have been provided for in art. 13, declaring that the Directive leaves such regulations unprejudiced.¹⁷⁰ On the other hand, art. 8(2) qualifies harming the right holder's interests as an infringement of the *sui generis* right.

Art. 8(3) forbids causing harm to other persons' rights in the material contained in the database. This paragraph may perhaps also be superfluous next to art. 13, which states that provisions concerning rights in the database material remain unprejudiced by the Directive.

It is arguably a weak point that the second and third paragraphs of art. 8 explicitly mention the lawful user. This is because the Directive most probably did not favour an *a contrario* reasoning, leaving users other than lawful users free to use a database in whichever way they wish.¹⁷¹

1.5.9 Article 9 Exceptions to the *sui generis* right

1.5.9.1 Introduction

The exceptions to the *sui generis* right were introduced in the Directive as from the 1995 Common Position. The European Council explained that it modelled them on the exceptions to copyright in art. 6(2) in order that they should correspond as far as possible.¹⁷² Thus, article 9 analogously contains exceptions for the private use of non-electronic databases,¹⁷³ for illustration for teaching and scientific research and for public security or administrative or judicial procedures.¹⁷⁴

169 Gaster 1999, p. 146 nos. 591 and 593 considers it obvious that the user may not harm the interests of the *sui generis* right holder. He argues that this is in conformity with art. 9(2) BC, art. 10 WIPO Copyright Treaty and art. 16(2) WIPO Performances and Phonograms Treaty.

170 See section 1.5.13.

171 Also see section 4.7.2 on the notion of the lawful user.

172 Common Position, p. 27. In art. 5 of the WIPO Draft Database Treaty, it is instead left to the contracting states to decide which exceptions they will introduce for the *sui generis* protection, provided that these exceptions meet the three-step test of art. 9(2) BC. One may object that this does not lead towards a worldwide harmonisation.

173 According to Gaster 1999, p. 149 no. 607 this exception is restricted to reprography, which he also argued for art. 6(2)(a). However, the Directive itself suggests otherwise; the term extraction in art. 9(1) should be broadly interpreted in accordance with its definition in art. 7(2)(a).

174 An equivalent of art. 6(2)(d) was not included for the *sui generis* right, as no Member State had already recognised this new right. Still, for Member States that had a right comparable to the *sui generis* right, recital 52 stipulates that they may retain the exceptions to that right and apply them to the *sui generis* right instead. The Scandinavian countries with their

1.5.9.2 Differences between the *sui generis* right and copyright exceptions

Although the European Council meant to draw up art. 9 as an equivalent to art. 6(2), several differences stand out. Firstly, art. 9 states that the exceptions to the *sui generis* right can only be invoked by lawful users, as opposed to art. 6(2).¹⁷⁵ Secondly, art. 9 differs from art. 6(2) in that it cannot be invoked for the use of whole databases, but only for substantial parts. Thirdly, art. 9(b) on teaching and research only applies to the extraction right, whereas the equivalent copyright exception in art. 6(2)(b) applies to all rights belonging to copyright. Since illustration for teaching implies reutilisation, the restricted scope of art. 9(b) may seriously be questioned. Fourthly, art. 9 does not include a provision based on art. 9(2) of the Berne Convention, as opposed to art. 6(3), although arts. 6 and 9 contain comparable exceptions. It may be recommendable to match the scope of these articles.¹⁷⁶ Furthermore, a useful addition would perhaps be to allow an exception to both copyright and the *sui generis* right¹⁷⁷ in respect of databases made by governmental bodies.¹⁷⁸ Moreover, we believe that the adoption of special exceptions for libraries, museums and archives which are equivalent to the ones introduced in the Copyright Directive is also desirable.¹⁷⁹

Not only should the scope of the *sui generis* right and copyright exceptions in the Directive be on a par,¹⁸⁰ but in our view, it is also essential for the practical usefulness of the Directive's protection regime and for legal certainty that when a Member State's implementing legislation adopts a certain copyright exception, its equivalent is adopted for the *sui generis* right, as well.

'catalogue rule' benefit from this recital, while the same was argued in the literature for the Netherlands with its *geschriftenbescherming*, see section 4.7.6.2.

175 As with art. 6(1), we believe that this requirement is superfluous in art. 9, see section 4.7.2.

176 The European Commission, however, is of the opinion that it is within the logic of the Directive's two-tier protection scheme that the exceptions may differ in terminology and scope. Still, it remarks that this matter will be examined in the evaluation report of the Directive required by art. 16(3). See the Commission staff working paper on the review of the EC legal framework in the field of copyright and related rights, Brussels, 19 July 2004, SEC(2004) 995, p. 13.

177 The Netherlands, for example, stipulates that no *sui generis* right is available for a public authority that produces databases containing laws and the like, see section 4.7.6.1. Bensingher 1999, p. 261 supports the introduction of an optional exception for public documents in the Directive for both copyright and the *sui generis* right.

178 The WIPO Draft Database Treaty contains such an exception for the *sui generis* right in art. 5(2).

179 See section 4.7.7.

180 A related interesting issue is whether a larger amount of exceptions should be available for databases, see section 4.7.7.

1.5.10 Article 10 Term of protection

1.5.10.1 Introduction

As with copyright, *sui generis* protection starts from the date on which the database was completed.¹⁸¹ It ends 15 years from the first day of January in the year following the date of the database's completion.¹⁸² The term of protection may thus vary between 15 and 16 years.

Databases may not be used by third parties until they have been made available to the public, which may be concluded *a contrario* from arts. 8 and 9. Not all databases will be made available on the same date as they were completed. If they are made available before the term in art. 10(1) expires,¹⁸³ art. 10(2) 'extends'¹⁸⁴ the protection of these databases to 15 years after the first day of January in the year following that of the date on which the database was made available.

Opinions differ on whether the Directive's 15-year term is sufficient; depending on the database at issue, this term may either be too short (for high value but low sales databases containing, for example, annotated Latin literature), or too long (for databases with time-sensitive information such as job vacancies, fixture lists or stock market prices).¹⁸⁵ The WIPO Draft Database Treaty could not decide on the term of protection and presented two alternatives: 15 years, like the EU proposed, or 25 years, in accordance with the United States proposal.¹⁸⁶

1.5.10.2 A new term of protection

Paragraph 3 of art. 10 states that the term of protection for a database may start anew after the database has been substantially changed – resulting from successive additions, deletions or alterations – through a substantial investment.

181 Recital 53 declares that the burden of proof concerning the completion date rests with the database maker. We argued in section 1.5.8.1 that the date of completion should preferably be jointly agreed upon between the *sui generis* right holder and the copyright holder.

182 According to Gaster 1999, p. 157 no. 637, the term ends fifteen years later, on 31 December. Such a univocal specification would perhaps have been useful in the Directive, as the implementing legislation of the EU Member States shows slight differences at present.

183 This leaves the question of what applies for databases made available only after the expiry of the term in art. 10(1).

184 Gaster 1999, p. 157 no. 639 argues that the protection term for these databases only starts from the date on which they were made available. However, we believe that this may be incorrect given that art. 10(1) fixes the date of completion as its starting point. Also see Speyart 1996-II, p. 173 who argues that a new 15-year term starts after these databases have been made available.

185 The examples are derived from the Nauta Dutilh Report 2002, pp. 494 and 541.

186 According to art. 8(1) of the Draft Treaty, the *sui generis* protection starts from the first day of January in the year following the date when the database first met the requirements for protection. In its second paragraph, it contains an equivalent of the Directive's art. 10(2).

Thus, art. 10 contains two modalities of the notion ‘substantial’ which have to be interpreted by the courts. According to recital 55, a substantial verification of the database contents may suffice for a substantial new investment. This still leaves substantial room for interpretation.¹⁸⁷ The 1993 Amended Proposal for the Directive contained definitions of both substantial and insubstantial changes, but these are not helpful, either, as they contained a circular reasoning by reusing the term substantial.¹⁸⁸

The Directive considers a substantially updated version as a new database worthy of its own term of protection.¹⁸⁹ Thus, it does not ‘renew’ protection for an already existing database.¹⁹⁰ Moreover, the new protection term does not apply merely to the changed contents. This would go against the Directive’s principle which states that the *sui generis* right does not extend to separate items in the database contents. Instead, the approach of art. 10(3) is that the whole content of the database – whether changed or not – profits from a new protection term after the database was substantially changed.¹⁹¹ Unchanged parts reused in a regularly renewed database could thus stay protected perpetually. This has met with criticism, because such dynamic databases often contain (commercially) important information.¹⁹² Nevertheless, no infringement is at issue in case the information was collected from other sources.¹⁹³ Still, the criticism is well-founded for monopoly situations, where specific core information is available from only one database, which is constantly being updated while its core information remains unchanged.¹⁹⁴

It is the database producer who must prove an infringement by demonstrating that his database was used.¹⁹⁵ For databases which are constantly being updated, it may be recommendable that producers adequately document, date and register successive versions.¹⁹⁶ With these dynamic databases, it may otherwise be difficult to prove the (substantial) difference between an

187 Gaster 1999, p. 158 no. 646 gives as an example the updating of subscriber data in a national telephone directory, with expenses running into millions of euros.

188 Art. 12(2)(b) read: “substantial change” means the successive accumulation of insubstantial additions, deletions or alterations in respect of the contents of a database resulting in substantial modification in all or part of a database. According to art. 12(3)(b): “insubstantial change” means insubstantial additions, deletions or alterations which, taken together, do not substantially modify the contents of a database.

189 An example may be a new edition of a dictionary.

190 Gaster 1999, pp. 158-159 nos. 647-652; Verkade/Visser 1999, p. 19.

191 Also see Gaudrat 1999-II, p. 415.

192 For example, Cook 1996, p. 27 remarked that dynamic databases such as telephone lists will in effect be protected indefinitely.

193 Explanatory Memorandum to the Directive’s First Proposal, p. 41 para. 1.2.

194 Also see section 5.2 on the abuse of a dominant position.

195 Producers occasionally anticipate this by adding a certain amount of incorrect data in their databases, which may later be revealed in the parts reused by infringers, who are thus unmasked.

196 The *sui generis* right holder must demonstrate that he invested substantially in a substantially changed version, according to recital 54.

older database version and a new one.¹⁹⁷ On the other hand, if a producer succeeds in doing so, he may provide users who repeatedly and systematically use his database, in the sense of art. 7(5), with a successful defence. This is because repeated and systematic use from one and the same database cannot be established if the dynamic database must be considered to consist of numerous different databases.¹⁹⁸

1.5.11 Article 11 Beneficiaries of protection under the *sui generis* right

1.5.11.1 Database producers within the EU

The *sui generis* right is available for natural persons who are nationals of the EU or have their habitual residence in a Member State.¹⁹⁹ Moreover, companies and firms are entitled to the *sui generis* right if they are formed according to the law of a Member State and have a presence in the EU.²⁰⁰ Such a presence requires that a firm has its registered office, central administration or principal place of business in the EU.²⁰¹ If database-producing firms only have a registered office in the territory of the EU, their operations must be genuinely and lastingly linked with the economy of a Member State.²⁰²

1.5.11.2 Non-EU database producers

Databases made by producers in non-EU countries can otherwise only become eligible for the *sui generis* right by reciprocity. For this, such third countries must offer EU producers a protection comparable to the *sui generis* right, with a protection term of no longer than the Directive's 15 years.²⁰³ Subsequently, the European Council on a proposal by the Commission must conclude an

197 Another question may be asked in this respect: supposing that a court finds that 20 additions make a newly protected database, do 21, 22 or more additions do the same? Or should the new database with the 20 additions from then on be taken as the starting point for further assessments, instead of its first version?

198 See section 4.5.4.2.

199 This also includes the Member States of the European Free Trade Association: Iceland, Liechtenstein and Norway, on the basis of the Decision of the EEA Joint Committee no. 59/96 of 25 October 1996 amending Annex XVII (Intellectual property) to the EEA Agreement, OJEC 1997 L 21/11.

200 Gaster 1999, p. 163 no. 671 remarks that a firm does not have to be present in the Member State according to whose law it was formed; it may well have its presence in another Member State.

201 Gaster 1999, p. 163 no. 673 explains that central administration means the firm's management, and by principal place of business is meant the place where the actual production takes place.

202 This is true if they have made investments of substantial commercial significance, according to Gaster 1999, p. 164 no. 674.

203 Recital 56 and art. 11(3) respectively.

agreement on reciprocity with such a country. As opposed to the Directive, the WIPO Draft Database Treaty aims to introduce *sui generis* protection on a worldwide scale. Thus, instead of reciprocity, it follows the principle of national treatment already known from art. 5 of the Berne Convention.²⁰⁴

By restricting the *sui generis* right in the Database Directive to producers within the EU, it has been suggested that the European Commission adopted a tit-for-tat attitude towards the United States²⁰⁵ because it had included the reciprocity rule in the US regulation on the protection of semiconductor chips.²⁰⁶ Critics have argued that the *sui generis* right cannot demand reciprocity as it is bound by the general principle of national treatment prescribed in international treaties on either intellectual property or unfair competition. Gaster denies this by stressing the *sui generis* character of the new right, resulting in the non-applicability of existing treaties.

Nevertheless, it may be easy for American and other non-EU database producers to get around the reciprocity rule. They still enjoy the European *sui generis* protection if they establish a subsidiary company in the EU²⁰⁷ and they have indeed used this opportunity.²⁰⁸ Furthermore, it has been argued that non-EU companies can also enter into a collaboration agreement with an EU-based firm for the development of a database, so that they become co-producers and joint right holders of the *sui generis* right.²⁰⁹ Thus, non-EU multinationals in practice will probably not be hindered by the Directive's reciprocity requirement.

204 Arts. 6 and 7 of the WIPO Draft Database Treaty.

205 See Reichman/Samuels 1997, p. 96; Rees in Rees/Chalton 1998, p. 62; Verkade/Visser 1999, p. 3.

206 The Semiconductor Chip Protection Act 1984 as included in title 17 of the United States Code, chapter 9, ss. 901-914.

207 Verkade/Visser 1999, pp. 4, 21. They differ from Gaster 1999, p. 162 no. 667 as to whether an EU producer who obtains the rights in a database made by a non-EU producer, is entitled to the *sui generis* right. Gaster argues that a non-existing right cannot be transferred, whereas Verkade and Visser hold the view that payment for the right to exploit the database implies a catch-up investment in database know-how which is worthy of the *sui generis* right. Gaster 1999, p. 122 nos. 478-480 remarks that such a purchase is not a substantial investment in the database's production. For the sake of safety, Verkade and Visser rightly advise these producers to quickly make substantial changes to the database through a substantial investment.

208 According to Rees in Rees/Chalton 1998, p. 63.

209 Rees in Rees/Chalton 1998, p. 63.

CHAPTER IV – COMMON PROVISIONS

1.5.12 Article 12 Remedies

1.5.12.1 Introduction

The Directive requires that the Member States provide appropriate remedies for infringements of both copyright and the *sui generis* right, next to the remedies for copyright infringement already existing in their national copyright acts.²¹⁰ Not all Member States have acted accordingly.²¹¹

The WIPO Draft Database Treaty extensively deals with sanctions and remedies for the *sui generis* protection. In general, it requires ‘expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements’.²¹² More specifically, the Draft Treaty prescribes that states should provide for civil remedies which include the payment of damages and the imposition of provisional measures. At least in cases of intentional piracy on a commercial scale, the criminal sanctions of imprisonment and/or monetary fines should be imposed, and also, in appropriate cases, the seizure, forfeiture and destruction of infringing material.²¹³ These sanctions and remedies were adopted from the TRIPS Agreement.²¹⁴

1.5.12.2 Protection for technological measures and rights management information

After the adoption of the Database Directive, protection against the circumvention of technological measures and rights management information was introduced on an EU-wide scale by the 2001 Copyright Directive.²¹⁵ This

210 Art. 12 in conjunction with recital 57. The Explanatory Memorandum to the Directive’s First Proposal, p. 54 para. 10 leaves the choice of the means to the discretion of the Member States.

211 In the Netherlands, no special remedies have been introduced. The Dutch legislator regards an infringement of the *sui generis* right as an unlawful act, to which the accompanying remedies apply. For copyright infringement, however, more sanctions are available in the Dutch Copyright Act, such as special seizure provisions and penal sanctions. The absence of special remedies for the *sui generis* right has therefore been criticised by Verkade/Visser 1999, p. 6 and Bosboom 2001, pp. 270, 272. France provides for both penal sanctions and civil remedies which correspond to those available for copyright infringement (arts. L. 343-1 to L. 343-4 and L. 332-4 CPI). The United Kingdom introduced only civil remedies (reg. 23 CRDR). These are a selection of those available for copyright; for instance, the order for delivery up and the seizure of infringing copies do not apply. In Italy, only criminal sanctions are available for infringement of both a database’s copyright and the *sui generis* right in art. 171-bis of its Copyright Act. The German Copyright Act introduced penal sanctions in § 108 merely for the infringement of the *sui generis* right.

212 Annex, art. 1(1).

213 Annex, arts. 5, 6, 21.

214 Arts. 41 to 61 of the TRIPS Agreement, which apply to copyright and related rights.

215 See the Ph.D. thesis of Koelman 2003 on this protection.

directive thus implemented the WIPO Copyright Treaty which already prescribed the same protection on an international scale in 1996.²¹⁶ According to the Copyright Directive, this protection is applicable to copyright and the *sui generis* right in databases, as well.²¹⁷ Member States must accordingly provide adequate legal protection against the circumvention of technological measures or the removal or alteration of rights management information in relation to databases. Subsequently, the Copyright Directive states that right holders in all Member States may bring an action for damages and/or apply for an injunction, and also, where appropriate, for the seizure of infringing material or devices circumventing technological measures.²¹⁸

The WIPO Draft Database Treaty of 1996 also provided for a provision on technological measures.²¹⁹ It required the signatory states to declare the trade in protection-defeating devices and the offer or performance of similar services unlawful, if these acts are carried out by a person who knows or has reasonable grounds to know that the device or service will be used for acts not authorised by the *sui generis* right holder or the law. The Draft Treaty thus prescribed a narrower protection than the Copyright Directive, as the latter does not require that tradesmen have knowledge of the infringing use that can be made of the devices they offer.²²⁰

1.5.13 Article 13 Continued application of other legal provisions

Art. 13 contains a list of rights and fields of law which remain unprejudiced by the Directive. This list is not exhaustive.²²¹ According to Gaster, the mentioning of access to public documents is a substitute for art. 9's lack of an exception for databases made by governmental bodies,²²² while the laws on restrictive practices and unfair competition compensate for the deletion of the compulsory licensing provision.²²³

216 Arts. 11 and 12 of the WIPO Copyright Treaty.

217 Arts. 6(3) and 7(2).

218 Art. 8(2).

219 Art. 10.

220 Art. 6(2) of the Copyright Directive. See Koelman 2003, p. 83.

221 Gaster 1999, p. 176 no. 725. Yet, in the final drafting stage, the European Council chose to explicitly add the protection of national treasures (requested by several Mediterranean Member States), laws on restrictive practices, security and access to public documents. Moreover, other legislation is mentioned in recitals 58 and 59.

222 Gaster 1999, p. 177 nos. 728 and 730.

223 In combination with recital 47, which forbids affording *sui generis* protection to facilitate abuses of a dominant position.

5.14 Article 14 Application over time

1.5.14.1 Transitional provisions on copyright

Art. 14 contains complex transitional provisions which are not easy to interpret. The first two paragraphs deal with copyright on databases produced before 1 January 1998, the date on which the Directive should have been implemented at the latest. Such databases are entitled to the copyright protection provided by the Directive, provided that they met the Directive's originality criterion on 1 January 1998. Gaster states that their copyright protection starts from 1 January 1998,²²⁴ while the Directive is silent on this subject. The Directive also does not set a limit to the age of the databases to which the Directive's copyright is available, whereas it states that the *sui generis* protection is only available to databases made after 1 January 1983.

Some databases which were already protected by national copyright may not meet the Directive's originality criterion. The Directive requires that such databases fulfil the eligibility criteria for national copyright protection on 27 March 1996, the date on which the Directive was published.²²⁵ If this is the case, paragraph 2 of art. 14 stipulates that the remaining term of national copyright will not be curtailed for these databases.²²⁶ *An a contrario* reasoning could suggest that this right is indeed curtailed for databases which also enjoy the new Directive's copyright. Whether this is correct remains unclear.²²⁷ Given their earlier protection by national copyright, the term of copyright protection of these databases is substantially extended if the term of the new copyright indeed starts from 1 January 1998, as is stated by Gaster.

1.5.14.2 Transitional provisions on the *sui generis* right

Paragraph 3 of art. 14 extends the *sui generis* right to databases which were completed not more than 15 years before 1 January 1998, the Directive's ultimate implementation date. The Directive states in paragraph 5 that the term of their *sui generis* protection expires 15 years from the first January following 1 January 1998. Gaster objects that the Directive contains an unfor-

²²⁴ Gaster 1999, p. 182 no. 750.

²²⁵ According to Gaster, this date was chosen intentionally as it was feared that by choosing 1 January 1998, firms would move their database production before this date to countries with a lower copyright threshold in order to profit from art. 14(2).

²²⁶ In conjunction with recital 60. Such databases will exist in Member States where the national copyright criterion is less strict than that of the Directive, being the United Kingdom, Ireland, the Netherlands with respect to its *geschriftenbescherming*, and the Scandinavian countries concerning their catalogue rule. However, Gaster 1999, p. 183 nos. 760-761 argues that art. 14(2) only applies to the United Kingdom and Ireland.

²²⁷ If it would not be curtailed, the Directive's copyright would exist alongside the national copyright. It is more logical, however, that the former substitutes for the latter as from 1 January 1998.

tunate wording, as the *sui generis* right was meant to expire 15 years from 1 January 1998, instead of 1 January 1999. As opposed to the Dutch implementing legislation,²²⁸ the French, British and Italian implementing legislation²²⁹ have 'corrected' the Directive in this way.²³⁰

Several implementations have come into effect (long) after 1 January 1998, for example, in the Netherlands, France and Italy. In that case, Gaster states that the *sui generis* right protection for existing databases is shortened in practice, as this right still expires from 1 January 1998.²³¹ The French and Italian transpositions take into account their delayed entry into force. Instead of mentioning 1 January 1998 as the date on which to assess the eligibility for the Directive's copyright and *sui generis* right, they declare that the assessment must be done on the date on which the implementing legislation entered into force.²³²

1.5.15 Article 15 Binding nature of certain provisions

Art. 15 states that any contractual provision contrary to arts. 6(1) and 8 is null and void.²³³ However, the strict appearance of art. 5 is arguably weakened by the fact that it is ultimately for the courts to assess on a case by case basis what is the scope of the terms 'normal use' in art. 6(1), or 'insubstantial parts' in art. 8(1). This will not always prove to be easy.

Moreover, we have already noted in our analysis of arts. 6(1) and 8(1) that their mandatory character prescribed by art. 15 is weakened in cases where a holder of copyright or *sui generis* right has authorised a user to use only a part of his database.²³⁴ In those situations, art. 15 does not apply to a whole database, but merely to a limited part thereof.

228 Art. III(A)(2) of the Dutch Databases Act (see Appendices 3 and 4).

229 Art. 8 of the French transposition (see Appendices 5 and 6), reg. 30 of the British CRDR (see Appendix 7), and art. 7(3) of the Italian transposition (see Appendices 8 and 9).

230 It would also be recommendable for the Directive to explicitly mention when exactly the *sui generis* protection starts. This is 1 January 1998, according to Gaster 1999, p. 184 no. 768. Our overall impression of art. 14 is that it leaves much room for ambivalent interpretations because it is silent on several matters.

231 Gaster 1999, p. 184 no. 771.

232 The Italian transposition in art. 7(1) and 7(2) mentions this date for both the copyright and the *sui generis* right assessment, whereas in art. 8 of the French transposition, this is explicitly determined only for the *sui generis* right.

233 It follows from an *a contrario* reasoning that other provisions, notably the exceptions to copyright and the *sui generis* right in arts. 6(2) and 9, may be overridden by contract. The desirability of this may be a matter for dispute.

234 See sections 1.5.6.2 and 1.5.8.2 Also see Brazell in Rees/Chalton 1998, p. 77.

1.5.16 Article 16 Final provisions

This article declares 1 January 1998 as the date on which the Directive must ultimately be implemented²³⁵ and requires that Member States communicate the texts of their implementing legislation to the European Commission.

Moreover, it prescribes that an evaluation of the Directive must be made every three years. For this, the Commission must submit a report on the application of the Directive to the European Parliament, the Council and the Economic and Social Committee.²³⁶ In this report, the European Commission should propose adjustments to the Directive where necessary. On this occasion, the Commission should in particular focus on the question whether the *sui generis* right has led to abuses of a dominant position or other interference with free competition. If so, appropriate measures such as the (re)introduction of a compulsory licensing provision may perhaps be justified.²³⁷

1.5.17 Article 17 Addressees

This final article addresses the Directive to the EU Member States. A directive is binding as from its date of entry into force, which is the 20th day after its publication.²³⁸ The Database Directive thus entered into force on 16 April 1996. From this date onwards, national courts must interpret existing and future national law in accordance with the Directive.²³⁹

1.6 SUMMARY

At the dawn of the 'information society',²⁴⁰ the European Commission demonstrated a growing awareness that information would become an im-

235 As from this date, provisions of the Directive may be directly invoked before the courts in the Member States where the implementation legislation is not drawn up in time or worded incorrectly. This was decided by the European Court of Justice in its judgments of 5 April 1979, Case 148/78 (Ratti), *ECR* 1979, p. 1629 and 19 January 1982, Case 8/81 (Becker), *ECR* 1982, p. 53.

236 The first report only appeared in December 2005. See the DG Internal Market and Services Working Paper: First evaluation of Directive 96/9/EC on the legal protection of databases, Brussels, 12 December 2005. This evaluation report is discussed in chapter 6.

237 This issue is studied in section 5.3.

238 Pursuant to art. 254 of the EC Treaty.

239 European Court of Justice 8 October 1987, Case 80/86 (Kolpinghuis), *ECR* 1987, p. 3969, and 13 November 1990, Case C-106/89 (Marleasing), *ECR* 1990, p. I-4135.

240 The EU has not furnished a definition of the term, although it uses it abundantly in its documents. The *Oxford English Dictionary* does not contain the term. The information society may be described as a society in which the creation, distribution, manipulation, and (re)use of information through digital technology is vital for its industry and economy.

portant commodity for the economy of the European Union. To be tradable, information must be incorporated in products or services, which is mostly done in the form of databases. Given their importance for the trade in information, it was decided to draw up a special directive solely for databases. The European Commission considers the Database Directive as 'a cornerstone of intellectual property protection in the new technological environment'.²⁴¹ Its aim is to harmonise protection for databases so as to remove the competition barriers which existed as a result of unequal levels of protection within the EU, and thus to stimulate database production in Europe to close the gap with the United States and Japan.

After a long process of deliberation, drawing up proposals and negotiation which started back in 1988, the Database Directive reached its final form in 1996. It introduced a two-tier protection regime for databases, which makes them cumulatively eligible for copyright and the new *sui generis* right. The introduction of this *sui generis* right especially for databases may be considered as a revolutionary step. At first, interested circles were not eager for this right as they considered a harmonised copyright protection to be sufficient. However, after important case law proved otherwise, the European Commission decided to introduce the new *sui generis* regime. During the long legislative process, the *sui generis* right evolved from a regime based on unfair competition to an intellectual property right akin to the neighbouring right of phonogram producers. The new right requires no level of originality but merely a substantial investment. The *sui generis* protection is broad and comparable in scope to copyright. It extends to the contents of a database, as a whole or a substantial part thereof. However, the number of exceptions to the *sui generis* right for the benefit of users is limited compared to the exceptions to copyright. Earlier versions of the Directive contained a provision on compulsory licensing to oppose information monopolies, but this was abandoned in the final Directive.

The Database Directive was implemented in the EU Member States in different ways. The most used method implemented both the copyright and the *sui generis* right regime within the national copyright act, like it was done in France, Germany and Italy. To this it may be objected that the *sui generis* character of the new right asks for a separate statute, which was indeed drawn up in some Member States, such as the Netherlands and the United Kingdom. On the other hand, putting the *sui generis* right in the copyright act is not illogical as it bears many similarities to intellectual property rights, especially the neighbouring right of phonogram producers.

Despite its enactment in the European Union, no international consensus could so far be reached on the desirability of a worldwide *sui generis* protection

241 According to the Follow-up to the Green Paper on copyright and related rights in the information society, COM(96) 586 final, Brussels, 20 November 1996.

for databases. Consequently, to date, the WIPO Draft Database Treaty of 1996 still remains a draft.

We ended this chapter with an insight into the individual articles of the Directive. In the following chapters, more fundamental comments will be provided on several undefined notions or broadly worded concepts in the Directive. For example, the database definition, the harmonised originality criterion, the condition of a substantial investment, and the scope of the *sui generis* right all require further study.