

**DIRECTIVE 96/9/EC OF THE EUROPEAN
PARLIAMENT AND THE COUNCIL**

of 11 March 1996

ON THE LEGAL PROTECTION OF DATABASES

**A CONSULTATIVE PAPER ON UNITED
KINGDOM IMPLEMENTATION**

**Copyright Directorate
The Patent Office
DTI**

August 1997

SUMMARY

The EC Database Directive, which has to be implemented by the end of 1997, harmonises the copyright protection of databases and introduces a new *sui generis* right against unauthorised extraction or reutilisation of their contents. This document sets out the Government's proposals for implementing the Directive in UK law; the draft legislation is annexed.

The Directive requires copyright protection to be limited to databases of which the selection and arrangement of the contents are the author's own intellectual creation. UK law will be amended to apply this criterion to protection of databases; it will not affect either the protection of their contents, or the protection for other forms of copyright work.

It is likely that some databases which at present qualify for copyright protection in the UK will no longer do so. However, protection of databases (under copyright or the new right) will be introduced or extended in other EU Member States, some of which apply different criteria to the copyright protection of databases from those in the UK.

All databases will be eligible for the new right ("database right"), whether or not they qualify for copyright protection. The intention is to protect the investment of money, time or effort that goes into compiling databases even if they do not qualify for copyright as the "intellectual creation" of the maker. The new right will be of more limited duration - fifteen years from completion or publication of the database - although substantial new investment will qualify the database for an additional term of protection. The right will give the maker the ability to control extraction and re-utilisation of all, or a substantial part, of the contents of the database. As with copyright, the taking of insubstantial parts will not be an infringement, but this test is to be applied qualitatively as well as quantitatively.

The Government's basic approach in implementing the Directive in those areas where the Directive leaves discretion to Member States has been to maintain so far as possible both

the level of protection available for databases, and a reasonable balance of rights and exceptions. The Government proposes (i) to continue the exceptions which currently operate in the copyright field - relating for example to research, education, and library use - except where the Directive specifically requires otherwise (e.g. the limitation of the research exception to non-commercial research) and (ii) to restrict exceptions to the new database right to a limited, specific, list, of which the most significant are illustration for teaching and (non-commercial) research, subject to a fair dealing test.

Existing databases up to 15 years old will qualify for the new right. Databases currently protected by copyright will continue to be so for the remainder of the copyright term.

Similar provisions for remedies, and for the jurisdiction of the Copyright Tribunal, will be made for database right as exist for copyright.

Views on the approach proposed, together with an assessment of its economic impact, are sought by the end of September.

1 INTRODUCTION

1.1 On 11 March 1996 the European Community adopted Directive 96/9/EC (OJ No L 77, 27.3.96, pp 20-28). This aims to harmonise copyright protection of databases in the EU and introduces a new "*sui generis*" right against unauthorised extraction and/or re-utilisation of the contents of databases. Implementation is due by 1 January 1998.

1.2 The purpose of this paper is to seek the views of interested parties on the Government's proposals for implementing the Directive as set out in the accompanying draft Statutory Instrument. Any information you are able to provide on any potential economic benefits or costs of these proposals would be much appreciated; as would any information in the event that a different approach were to be adopted e.g. by providing no exceptions to copyright and/or to the new sui generis right ("database right").

1.3 *Comments should be sent to:*

Stuart Booth,
Copyright Directorate,
The Patent Office,
25, Southampton Buildings,
London WC2A 1AY

E-mail: stuart.booth@patent.gov.uk

Tel: 0171-438-4771

Fax: 0171-438-4780/4713

by 30 September 1997.

2 OPEN MEETING

2.1 It is proposed to hold an open meeting at 10.30 a.m. on 11 September in The Patent Office Rotunda, 25 Southampton Buildings to discuss the proposals, including any suggestions for change. Space is limited and representation will have to be limited to one person per organisation. Please let us know whether you wish to attend and who your representative will be.

3 BACKGROUND

3.1 The European Commission published a Green Paper, in June 1988, on *Copyright and the Challenge of Technology*. This contained a chapter on the legal protection of databases and was subsequently followed by a Commission request for views on:

(a) whether the compilation of works within a database should be protected by copyright and,

(b) whether, where a database contains material not protected by copyright, protection should be by copyright or a by new *sui generis* right.

3.2 At a Commission hearing on 26, 27 April 1990, a large majority of participants felt copyright protection would suffice. However, this view changed once it was realised that in most Member States copyright did not protect all databases in which substantial investments had been made. In fact, most Member States required a level of creativity for copyright protection that would exclude databases the product merely of substantial labour but with little or no intellectual effort ("sweat of the brow" databases). They were seen as "unoriginal" because they did not involve intellectual creativity. Nevertheless, in certain systems some of the gaps in protection were plugged by unfair competition law or by *sui generis* schemes covering "unoriginal writings" or "catalogues comprising a large number of items of information".

3.3 The European Commission therefore decided, in 1992, to adopt a two-tier approach involving copyright protection and a new *sui generis* right.

4 MAIN FEATURES OF THE DIRECTIVE

Meaning of "database"

4.1 The Directive defines a "database" as a collection of independent works, data or other materials arranged in a systematic or methodical way and individually accessible by electronic or other means. It covers databases in any form e.g. on-line, CD-ROMs and print-on-paper.

Eligibility of a database for copyright protection

4.2 Databases which by reason of the selection or arrangement of their contents constitute the author's own intellectual creation are to be protected by copyright. It is the structure of the database that is to be protected i.e. the selection or arrangement of its contents. The protection afforded to databases, as such, does not extend to the contents and does not prejudice any rights in them.

4.3 Copyright protection will last for the normal copyright term of until seventy years after the author's death and will provide the full plethora of exclusive rights familiar in the copyright regime. That is to say it will enable the rightholder to prohibit or to authorise any reproduction, translation, adaptation, arrangement or other alteration of the database, and any form of distribution, communication, display or performance to the public.

4.4 First sale in the Community of a copy of a copyright database, with the right holder's consent, will exhaust the right to control the resale of that copy in the Community. However, the making available of databases by on-line or other intangible means will not lead to exhaustion of any rights and the owner of the copyright will be entitled to control whether the user can copy the database, and what the user may do with that copy.

4.5 Exceptions to copyright are, within certain limits, left to national law.

4.6 Databases already protected by copyright in a Member State on 27 March 1996, which would not qualify for copyright protection under the Directive, will continue to enjoy protection under transitional arrangements until the end of the copyright term.

Eligibility for the new sui generis right

4.7 A new sui generis right is to be afforded to makers of databases which show that there has been substantial investment, judged qualitatively and/or quantitatively, in either the obtaining, verification or presentation of the contents. A right holder will have the right to prevent the extraction and/or re-utilisation of the whole or a substantial part of the contents of a database i.e. the right to prevent their transfer to another medium ("extraction") and to prevent the making available of copies to the public by distribution, renting, or on-line or other forms of transmission ("re-utilisation").

4.8 As with copyright, the right to control resale in the Community of a particular copy of a database protected by the *sui generis* right will be exhausted by first sale in the Community with the right holder's consent, but the making available of databases by on-line or other intangible means will not exhaust the right.

4.9 Public lending is not to be considered an act of extraction or re-utilisation of the contents of a database.

4.10 The lawful user of a database cannot be prevented by the right holder from taking insubstantial parts from a database, except where repeated and systematic extraction and re-utilisation of insubstantial parts conflicts with the normal exploitation of the database or unreasonably prejudices the maker's interest. Member States are also left free, within limits, to provide exceptions to the new right for teaching, research, judicial and administrative procedures.

4.11 The sui generis right will be available only in respect of databases made by Community nationals, residents, companies and firms; where a company or firm has only its registered office in the territory of the Community its operations must be genuinely

linked on an ongoing basis with the economy of a Member State. However, agreements extending the right to databases made in third countries may be concluded by the Council of Ministers acting on a proposal from the Commission.

4.12 The sui generis right will last for 15 years from the end of the year in which the database is made or published. Databases made on or after 1 January 1983 will be eligible for a period of protection lasting 15 years commencing 1 January 1998 provided that they qualify for the right on that date. Any substantial change to a database arising from a substantial new investment in it will generate a new 15 year period of protection.

Acts concluded and rights acquired

4.13 Protection afforded by the Directive (copyright or *sui generis*) is to be without prejudice to any acts concluded and rights acquired before 27 March 1996

Remedies

4.14 Remedies for infringement of copyright and the *sui generis* right are left to national law.

Review

4.15 The application of the Directive is to be reviewed by the Commission not later than the end of the third year after 1 January 1998 and every three years thereafter.

5 EXISTING LAW OF THE UNITED KINGDOM

5.1 At present copyright protection is accorded to databases as a type of compilation in

accordance with established principles for the protection of original literary works under the provisions of the Copyright, Designs and Patents Act 1988 (the "Act ") provided that it is recorded in writing or otherwise. Protection does not depend on the medium and is afforded to print on paper databases and to electronic ones, whether supplied on-line or on carriers such as CD-ROMs.

5.2 Section 1(1) and section 3(1) of the Act provide that:

1(1) Copyright is a property right which subsists in accordance with this Part in the following description of work -

(a) original literary, dramatic, musical or artistic works,

3(1) In this Part -

"literary work" means any work, other than a dramatic or musical work, which is written, spoken or sung, and accordingly includes -

(a) a table or compilation,....."

5.3 There is no specific provision for databases in the Act. Nor is the term "compilation" defined. It has been left to the courts to decide what constitutes a compilation and in what circumstances copyright is deemed to subsist in such a work as an original literary work.

5.4 As a literary work, a compilation is protected provided that it is original. The Act does not define "originality" but the courts have held this to mean that the author did not copy the work from elsewhere, but created it independently by the expenditure of his own skill, knowledge, mental labour, taste or judgement.

5.5 The Act gives exclusive rights in the United Kingdom to owners of copyright in original literary works (including compilations) to prohibit or authorise certain acts e.g.

reproduction, translation and adaptation. These rights are subject to a number of exceptions which cover *inter alia*: research; private study; education; libraries and archives; public administration; criticism, review, and news reporting and incidental inclusions.

6 EFFECT OF THE DIRECTIVE ON DATABASE PROTECTION IN THE UNITED KINGDOM

6.1 The Government takes the view that the effect of the implementation of the copyright provisions in the Directive may be to limit the copyright protection which has in the past been accorded to some databases in which a substantial amount of labour has been invested but little or no intellectual effort and to protect them by the new *sui generis* right instead which will be a new right in English law. Pre-existing databases which would fail to qualify for copyright protection under the Directive will, however, continue to be protected by copyright under existing arrangements until the end of the term.

6.2 All databases will be eligible for the new "*sui generis*" right including those which are also eligible for copyright protection, provided there has been a sufficient investment in the making of the database.

7 GUIDING PRINCIPLES OF IMPLEMENTATION

7.1 The starting point in implementing the Directive has been the existing copyright regime, and a desire to disturb the *status quo* as little as possible. This includes the existing exceptions under which users of material, in electronic and non-electronic form, may, in certain cases, use that material without the permission of the right holder without infringing copyright. The Government's proposals for implementing the Directive are not intended to alter the existing balance of rights and exceptions under the Act, except where explicitly required by the Directive. The Government recognises, however, that some reappraisal of current rights and exceptions may be required in the light of the

development of electronic markets and new business models.

7.2 The Government's approach to the new *sui generis* right insofar as options are available to it has been to maintain, so far as is possible, the level of protection currently available under copyright and, to the extent permitted by the Directive, similar rights and exceptions.

7.3 Articles 6(2) and 9 of the Directive permit exceptions to copyright and to the *sui generis* right (within certain limits) to be applied at the discretion of Member States. Since many electronic databases are licensed with stringent conditions on use, this raises the question of whether there should be any exceptions to copyright and the new right, particularly in the fields of education and research where licensing appears to be common.

7.4 The Government has not reached a final decision on the optional exceptions. It fears that singling out databases for special treatment by providing no exceptions would be seen by some in the user community as a retrograde and unwarranted step, and by holders of rights in other works as placing them at a disadvantage. On the other hand the Government accepts that exceptions must be justified by real need among users.

8 IMPLEMENTATION

General remarks

8.1 The Directive will be implemented using secondary legislation made under the European Communities Act 1972, section 2(2). These Regulations will be subject to affirmative resolution of both Houses of Parliament. The intention is to table them (subject to any changes thought to be necessary following consultation) as soon as possible after the closing date for comments.

8.2 The draft Regulations amend the Copyright, Patents and Designs Act 1988 (the

"Act") in relation to databases, and contain free-standing provisions for the new *sui generis* right ("database right").

COPYRIGHT ASPECTS

Scope and object of protection (Article 1-3); databases as literary works; originality

8.3 The clear intention of the Database Directive is to confer copyright protection only on those works where the selection or arrangement of the contents constitute the author's own intellectual creation .

8.4 It is therefore proposed (Regulations 5 and 6) to amend Section 3 of the Act to define a "database" and to treat databases as a new specified category of literary work. As required by the Directive "originality" will be defined in relation to databases in accordance with Article 3(1) of the Directive. Compilations that are not databases continue to have the existing case-law applied to them as "original literary works" in the customary way.

8.5 Views would be welcome on this approach, including the costs and benefits of adopting it.

Database Authorship (Article 4)

8.6 The Government believes no changes to Sections 9, 10 and 11 of the Act are required by the Directive .

Restricted Acts (Article 5)

8.7 Nor are any changes needed to section 16 of the Act. However, it is proposed to amend section 21 so as to modify the meaning of "adaptation" in relation to a database (Regulation 7).

Exceptions to Restricted Acts

Lawful user (Articles 6(1) and 15)

8.8 A lawful user is defined and is given the right to do anything necessary to exercise his lawful right to use the database without infringing copyright (Regulations 9 & 10).

Teaching, research and other traditional exceptions (Article 6(2))

8.9 The Government proposes to implement Article 6(2) of the Directive to retain existing exceptions to copyright as they apply to databases, insofar as the Directive permits, but accepts that Article 6(2)(d) requires it to make exceptions without prejudice to constraints imposed by Article 6(2) (b) of the Directive.

8.10 Article 6(2)(b) permits exceptions to copyright "*where there is use for the sole purpose of illustration for teaching or scientific research, as long as the source is indicated and to the extent justified by the non-commercial purpose to be achieved*" (emphasis added).

8.11 Section 29 of the Act is therefore amended in line with Article 6(2)(b) (Regulation 8).

8.12 On the other hand, it is to be noted (from recital 35 of the Directive) that Article 6(a) is relevant only to those Member States which operate blank media or reprographic levies aimed at compensating right owners for the private copying of their works. This is not a feature of United Kingdom law, and the Article is therefore not applicable to the United Kingdom.

8.13 Neither are any changes to United Kingdom law contemplated in respect of Article 6(2)(c). It is proposed that existing administrative and judicial exceptions should

continue unchanged. Nor are changes needed to take account of the qualification of "research" by "scientific" in Article 6(2)(b) of the Directive. It is clear from recital 36 of the Directive that "scientific research" covers all forms of research.

8.14 *Views would be welcome on whether or not United Kingdom law should maintain existing exceptions to copyright as it applies to databases (subject to the limitation referred to above), especially for teaching and research. It would also be helpful to receive advice on the costs and benefits of maintaining, or not maintaining, exceptions to copyright in databases.*

SUI GENERIS RIGHT

Object of Protection (Article 7)

8.15 The Directive requires the creation of a new *sui generis* right ("database right") to prevent unauthorised extraction and re-utilisation of the whole or a substantial part of the contents of a database (Regulation 13). It will be possible to transfer, assign or licence the right (Regulation 22). The jurisdiction of the Copyright Tribunal is to be extended to enable it to determine certain proceedings concerning collective licensing under the new right (Regulation 23 and 24).

8.16 Public lending will not be an act of extraction or re-utilisation (Regulation 12(2)). On the spot reference is to be excluded from the scope of public lending (Regulation 12(3)).

8.17 The "maker" of a database is defined (Regulation 14). The maker is to be made the first owner of the new right (Regulation 15).

8.18 A person will infringe the database right if, without the consent of the owner, he extracts or re-utilises all or a substantial part of the contents of the database (Regulation 16(1)). "Substantial" can be assessed quantitatively and/or qualitatively. Repeated and systematic extraction or re-utilisation of insubstantial parts may amount to

the extraction and re-utilisation of a substantial part (Regulation 16(2)).

8.19 *Comments on any aspect of these provisions would be welcome, in particular whether it would be desirable to extend the jurisdiction of the Copyright Tribunal in the way suggested.*

Lawful users (Article 8)

8.20 Regulation 19 safeguards the rights of a lawful user to extract or re-utilise any part of the contents of a database in a way which does not infringe any database right.

8.21 *Views on this would be welcome.*

Exceptions to the *sui generis* right (Article 9)

8.22 Article 9 of the Directive permits Member States to make limited exceptions to the new right. It stipulates that lawful users of a database which is made available to the public may, without the authorisation of its maker, extract or re-utilise a substantial part of its contents:

- (a) in the case of extraction for private purposes of the contents of a non-electronic database;
- (b) in the case of *extraction* for the purposes of illustration for teaching or scientific research *as long as the source is indicated and to the extent justified by the non-commercial purpose to be achieved* (emphasis added);
- (c) in the case of extraction and/or re-utilisation for the purposes of public security or an administrative or judicial procedure.

8.23 It is proposed to make use of the discretion allowed by this Article to provide exceptions to the extraction right in the case of teaching and research and to subject them

to a test of "fair dealing" (Regulation 20(1)). It should be noted that these exceptions apply to extraction only. They do not extend to re-utilisation and only apply where the purpose is non-commercial.

8.24 The Regulations provide exceptions to the extraction *and* reutilisation right for the purposes of administrative and judicial procedures. These are similar to the exceptions to copyright in the Act (Regulation 20(2))

8.25 However, as explained earlier in relation to copyright, the provision in Article 9(a) permitting extraction for private purposes is not considered to be applicable to the United Kingdom; and the word "scientific" in Article 9(b) is not seen as limiting the type of research to which the exception applies.

8.26 In the Government's view, subjecting the teaching and research exceptions in Article 9 to a test of fair dealing achieves an approach consistent with exceptions to copyright.

8.27 *Views are sought on whether exceptions to the new right for teaching and research should be provided and on what the cost and benefits of having, or not having, them would be.*

Term of protection (Article 10)

8.28 The new database right will provide a term of protection lasting 15 years from the end of the calendar year in which the making was completed (Regulation 17(1)) or, if the database is first made available to the public before the end of that term, 15 years from the end of the calendar year in which it is made available (Regulation 17(2)). Any changes to the contents of a database that would result in the database being considered to be a substantial new investment will start a new term of protection running.

8.29 *Views are sought on the effect of this, and on the cost and benefits.*

Beneficiaries (Article 11)

8.30 EEA nationals and residents of and bodies located in the EEA will qualify for the database right (Regulation 18). The making of the database by a third country subcontractor will not prevent this. However, as required by the Directive, the right will not subsist in databases acquired from third countries, unless

(i) a reciprocal agreement has been concluded with that country or

(ii) there has been a substantial new investment in the database e.g. by verification of the data within the EEA.

To date there have been no agreements with third countries to apply protection equivalent to the *sui generis* right.

8.31 *Views would be welcome on the potential effect of this on business, particularly on those wanting to acquire databases from overseas, possibly as part of broader acquisitions.*

Remedies (Article 12)

8.32 Civil remedies comparable with those for copyright will be available (Regulation 22). No provision has been made for criminal offences.

8.33 *Views on this are sought.*

Other legal provisions (Article 13)

8.34 No changes to the Act are considered necessary.

Application over time (Article 14)

9.1 Copyright will continue to subsist in databases made on or before 27 March 1996 until the end of the copyright term, whether or not they would be eligible for copyright protection under the Directive (Regulation 28(1)). For databases made on or after 1 January 1983, the database right will subsist for a period of 15 years beginning with 1 January 1998 (Regulation 29). This will be without prejudice to any acts concluded and rights acquired before 27 March 1996 (the date when the Directive was published).

Binding nature of certain provisions (Article 13)

9.2 Contractual provisions seeking to curtail the rights of lawful users to perform acts necessary to access the contents of a database are to be made null and void (Regulation 9(3) and 19).

Presumptions relevant to databases

9.3 Regulation 21 sets out certain presumptions relevant to databases.

9.4 *Views are sought on whether such provisions are necessary.*

The Crown

9.5 Existing Crown and Parliamentary copyright provisions will continue to apply to databases. Where a database is made by Her Majesty or an officer or servant of the Crown in the course of his duties, Her Majesty is to be regarded as the maker of the database for the purpose of the database right (Regulation 14(3)). Provision will also be made (in the next draft of the regulations) for Parliament to be a maker of databases, in

a manner similar to section 165(1)(b) of the Act.

9.6 *Views on this are sought.*

Final Provisions (Article 16)

9.7 It is intended that, subject to Parliamentary approval, the Regulations will come into force on 1 January 1998 (Regulation 1).

10 **ECONOMIC IMPACT**

10.1 We would welcome any comments you have on the economic impact of implementation of this Directive. For example, it would be helpful to receive estimates from database producers of the overall size of the UK and EU markets.

11 **COST OF COMPLIANCE WITH THIS DIRECTIVE**

11.1 The Government is committed to ensuring that the costs of regulation on business and consumers are kept to the minimum. With this in view, it would be helpful if in responding you could, wherever possible, indicate the likely costs of compliance with this Directive. Costs might be incurred from a number of changes:

- value of licences from the new or amended rights;
- professional fees (eg for legal advice);
- effect on overall sales of databases
- effects on costs to database users;
- costs of any disputes and litigation;
- others

For each of these it is important to identify:

(a) non-recurring costs, i.e. those costs which will be incurred only once to implement the regulations

(b) recurring costs.

For recurring costs, some estimate of how much this would come to each year would be most helpful.

11.2 Specific figures are often difficult to identify. Where you feel these cannot be identified we would welcome any comments on the nature and scale of costs you think likely to be incurred.

11.3 Information supplied will be kept confidential and non-attributable. It will be used to prepare a compliance cost assessment for Ministers and Parliament which will assess the impact of implementing the Directive.

11.4 The Government is particularly anxious to hear from small and medium enterprises (i.e. organisations with a maximum of 500 employees). It would be helpful if they could identify themselves, as such, in their responses.

12 **FREEDOM OF INFORMATION**

12.1 In line with the Government's commitment to freedom of information, details of responses (apart from confidential data on the economic impact) may be made publicly available unless you request otherwise.

[Further Information](#)

If you require further information, please contact:

Stuart Booth at the Copyright Directorate.

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