



SPECIAL RELEASE

THE COPYRIGHT AND RIGHTS IN DATABASES REGULATIONS 1997

Background

The Copyright and Rights in Databases Regulations 1997, SI 1997 No.3032 (“Regulations”) came into force on 1st January 1998. They make significant changes to the way in which rights in databases are protected. They implement European Council Directive 96/9/EC of 11th March 1996 (“Directive”), which is a measure designed to harmonise the legal protection of databases throughout the Community.

Databases (i.e. printed or computerised collections of information) have been treated in different ways in the different Member States of the Community, depending on the level of creativity and originality involved in creating the database. The differences have been most noticeable when looking at databases which are just collections of factual data, requiring considerable effort to put together, but little creativity or originality - such as phone directories and railway timetables.

In the UK, most databases used to be protected by copyright, provided some effort (whether or not intellectual or creative) had gone into producing them, so that they could be considered as a “work” under the Copyright, Designs and Patents Act 1988 (“Act”) (the so-called “sweat of the brow” test). Under the old law, a database or listing of information was treated as a “literary work”, a term which is defined in that Act to include a table or compilation. Case law had established that things such as an index of railway stations, a list of football matches, a directory of solicitors, and TV programme listings could constitute literary works and so benefit from copyright protection.

However, the situation was different in other countries, which required a higher level of creativity or originality. For example, in Germany, the

Inkassaprogram case of 1985 held that copyright would only apply to a database if the selection, accumulation, arrangement and organisation of the database had been the subject of know-how beyond that possessed by the average programmer. This meant that most factual databases were denied any intellectual property protection at all in Germany. Other countries, like Denmark, required some level of creativity in a database before copyright would vest in it, but also introduced their own *sui generis* forms of lesser protection for factual databases such as catalogues, tables and similar works.

Similar disparities existed (and continue to exist) in other parts of the world. For example, in the US there was the well-known case of Feist Publications Inc. v. Rural Telephone Service Co. Inc. in 1991. In that case, Rural had compiled the names, addresses and telephone numbers of subscribers into alphabetical order, to produce a telephone directory. Feist had then copied part of Rural’s directory in its own publication. The Supreme Court held that copyright only protected compilations where there was some originality in the selection or arrangement of the materials contained in the compilation. It was not sufficient that the contents of Rural’s directory had been independently created by it.

As stated, the aim of the Directive has been to harmonise the situation within Europe as to the protection of databases. So far as the UK is concerned, there are two main aspects to the new Regulations. The first is to change the extent to which the law of copyright will apply to databases, by making certain amendments to the Act. The second is to introduce an entirely new right, called “database right”.

The Regulations define a database as “a collection of

independent works, data or other materials which (a) are arranged in a systematic or methodical way, and (b) are individually accessible by electronic or other means”.

This definition will obviously include any straightforward collection of data such as a list of personal contacts and their telephone numbers, a list of all medal winners at the Olympic games classified by date and event, or a list of all products produced by a manufacturer, giving their specifications and dimensions, whether these are in electronic or paper form. It will also extend to more complex collections of materials accessible on-line or on CD-Rom, such as a picture library, a dictionary, an anthology of poetry, a multimedia encyclopaedia, or (possibly) a music CD (if the songs are arranged in some systematic or methodical way).

Copyright

Under the new provisions, a database will only qualify for copyright protection if “by reason of the selection or arrangement of the contents of the database the database constitutes the author’s own intellectual creation”. As will be apparent, this is a higher test than has previously applied under English law, and follows the continental and other models discussed above. Thus, in the case of a picture library digitised on CD, a collection of all the photographs ever featured in a particular publication in chronological order would probably not qualify for copyright protection (because there is no selection, and the arrangement - being purely chronological - involves no intellectual creation), but if the images were classified and accessible by subject matter or location, the collection probably would qualify.

However, under the transitional provisions, any database created before 27th March 1996 (the date of publication of the Directive) which qualified then for copyright protection, will continue to enjoy copyright protection and will not be affected by the Regulations.

If a database does qualify for copyright protection, then there is an express provision to the effect that ‘fair dealing’ with a database for the purposes of non-commercial research or private study will not infringe the copyright in the database, provided that the source is indicated. The other ‘fair dealing’ exemptions under the Act (e.g. for criticism, review, news reporting) will also apply.

Nevertheless, a crucial point to appreciate is that any copyright which a database may have as such is separate and independent from any copyright which the contents of the database may have. Thus, in the case of CD versions of a picture library or poetry anthology or encyclopaedia, each entry in the database will, prima facie, have its own copyright (which may well be owned by someone other than the owner of any database copyright).

Database Right

The second aspect of the Regulations is the creation of the new intellectual property right called “database right”. The database right will subsist in a database “if there has been substantial investment in obtaining, verifying or presenting the contents of the database”. This right will exist irrespective of whether the database in question and/or its contents separately qualify for copyright protection.

For the purposes of this definition “investment” means any investment, whether of financial, human or technical resources and “substantial” means substantial in terms of quantity or quality or a combination of both.

The maker of a database is the person who takes the initiative in obtaining, verifying or presenting the contents and who assumes the risk of investing in that process. If the database is commissioned, this could be the person commissioning it, rather than the person actually carrying out the work. Where a database is made by an employee in the course of employment, the employer will be regarded as the maker, unless otherwise agreed. The maker of the database is the first owner of the database right in it.

The database right will be infringed by anyone who, without consent, extracts or re-utilises all or a substantial part of the contents of the database (or repeatedly and systematically extracts or re-utilises insubstantial parts of the contents). “Extraction” means the permanent or temporary transfer of those contents to another medium by any means or in any form - this could cover displaying the ‘contents’ of a CD on a computer screen, printing them out on paper, or copying them from the CD into computer memory. “Re-utilisation” means making the contents available to the public by any means (e.g. making direct copies for sale to the public, or putting the database on an on-line service). However, the public lending of a copy of a database (e.g. via a library) is not within the meaning of “extraction” or “re-utilisation”.

More recently, StepStone, an on-line recruitment firm, which operates in 16 European countries, was awarded an injunction in the German Courts in December 2000 against Ofir, a Danish media group to stop the use of links between the companies' sites. It became the first company to successfully use the European Union's Copyright and Database Regulations to prevent another company linking directly to the content of its site. Both companies offer on-line recruitment site portals in the UK, Germany, Denmark and France. StepStone argued that Ofir was using StepStone's job adverts to inflate the number of jobs offered through its site.

StepStone argued that Ofir was also deep-linking to the StepStone site, meaning that visitors were taken to job adverts and bypassing StepStone's home page and banner advertisements. The Court in Germany found that Ofir was using StepStone's job advertisements as its own and this meant there was a threat that Ofir could take business from StepStone. This case illustrates an effective method of protecting deep-linking through to another site's database, under the Regulations, which if under general copyright laws would have been difficult to argue infringement of copyright.

The database right lasts for fifteen years from the end of the calendar year in which the making of the database was completed or, where it is made available to the public, fifteen years from the end of the calendar year in which it was made available. This may sound like quite a short period but in fact, the Regulations specifically provide that where any substantial change is made to the contents of a database, including by the accumulation of successive additions, deletions, or alterations, so that the database can be considered a substantial new investment, the database as changed will qualify for its own term of protection under the database right.

For any database that is constantly or regularly updated (as many databases will be - that being their very function), this could mean that the database right could be effectively perpetual. On the other hand, databases that remain static, and which do not also qualify for copyright protection under the provisions described above, are probably going to have a limited commercial life-span in any case. Databases made between January 1983 and December 1997 will have database right until the end of 2012. These provisions on duration only relate to the duration of the database right - they do not affect the duration of any separate copyright in the database or its contents.

The database right will only apply if the maker is a national of or habitually resident in the European Economic Area ("EEA" - i.e. the 15 Member States of the EU, together with Iceland, Liechtenstein and Norway) or, in the case of a company, incorporated within the EEA and run from within the EEA. Thus, a US company whose UK employees produce a database will find that it has no UK database right in it (since the employer is, subject to contrary agreement, regarded as the maker, and a US company - unless operating via a UK subsidiary - will not satisfy the test set out above). One solution would be to provide in employment contracts that the employee will be regarded as the maker of any database, but agrees prospectively to assign any database right created to the employer for no further consideration.

Similarly, any database created by a company outside the EEA (e.g. in the US) and imported into the UK or accessible on-line from the UK will generally not qualify for the UK database right. This position is different from the copyright position, where, by virtue of the various international copyright treaties, a person who is entitled to copyright protection in their 'home' jurisdiction will be granted equivalent rights in most other countries around the world.

Many databases these days will be accessible on the Internet anywhere in the world - different parts of one database may be held in different jurisdictions, and different entities around the world may be contributing material to the database. Database right will only apply if one of the makers can be shown to be based in the EEA. Where there are many joint makers, this may be more difficult than it sounds.

Anyone who is lawfully using a database which has been made available to the public has the right to extract or re-utilise insubstantial parts of the contents of the database for any purpose, and any term or condition to the contrary in an agreement regulating the use of the database is void. This means that anyone using a public database lawfully will not have to worry about any database right in the contents, if they are only using insubstantial parts. The Regulations also set out certain other 'fair dealing' exceptions to the database right (e.g. for non-commercial teaching or research).

Since it may often be difficult to tell, as an outsider, who was the maker of a database and when the database right came into existence, there is a specific provision that extraction or re-utilisation of substantial parts of the contents of a database will

not be an infringement of any database right if it is not possible, by reasonable inquiry, to ascertain the identity of the maker, and it is reasonable to assume that the right has expired. However, if a person's name appears on the database purporting to be that of the maker, or if a date appears stating that the database was first published in a specified year, those details are presumed to be correct until the contrary is proved. As a matter of practice, it must always, therefore, be advisable to put the maker's name and the date on any database.

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The database right, like copyright, can be assigned or transferred (in writing) or licensed.

When thinking about the actual use of databases, it will often be necessary to consider other relevant modes of legal protection. For example, in the case of databases on a computer, there will inevitably be a software program which holds and allows access to the different parts of the database. This may be owned by someone other than the maker of the database. The terms on which that software is licensed may be a relevant consideration.

Data protection law may be relevant if the database contains any personal information. Even if it does not, if a database provider collects information about who uses the database e.g. a database on the Internet which records the email addresses (and perhaps billing addresses and credit card numbers) of individual users, then the provider will need to consider data protection law.

This Special Release is intended to be a summary of the subject matter. It does not purport to be in any way comprehensive or a substitute for specialist legal advice in individual circumstances.

If you would like further information regarding the above, or require advice generally, please contact our IT, Technology & E-Commerce Team:

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