

# Legal Protection for Databases

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Prof. Dr. Matthias Leistner, LL.M. (Cambridge)

Chair for Civil Law, Intellectual Property and Competition Law  
Institute for Commercial and Economic Law  
University of Bonn

## Overview

- I. **Background of EU-Harmonization**
- II. Main Provisions of the Database Directive 96/9/EC
- III. The Issue of „Freedom of Information“:  
Overprotection and Erosion of the Public Domain?
- IV. European and International Perspectives

## II. Background in 1996

- Legal Situation in most Continental European MS
  - Protection through Copyright Law
    - E.g. Sec. 4 German Copyright Act
    - Problem: Protection only for creative structures (individual creation regarding the „selection and arrangement of the elements“).
    - Contrast: Modern databases typically comprehensive and arranged in a systematic rather than in a „creative“ way.
  - Protection through Unfair Competition Law.
    - Flexible protection against „unfair“ imitations.  
→ Comparable to the *misappropriation*-concept in U.S. Case Law but broader.

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- Legal Situation in the Nordic Countries
  - Copyright.
  - Specific Catalogue Right (neighbouring right).  
→ model for the European sui generis right
- Legal Situation in U.K. and Ireland
  - Broad copyright Protection.  
→ „what's worth copying is *prima facie* worth protecting“; „sweat of the brow“ doctrine.  
  
Remember: ECJ – „*Magill*“ [Contrast: U.S. Supreme Court – „*Feist*“ (1991)].
  - No Unfair Competition Law Protection.

Example: Protection of Telephone Directories

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## II. Main Provisions (1): Structure

- **Scope of the Directive (Art. 1-2)**
  - Unitary definition of the notion of „database“.
  - Covering copyright and the new investment protection right.
- **Copyright (Art. 3-6)**
  - Mandatory and conclusionary definition of the condition and object of protection: „own intellectual creations“.
    - **Compromise between the „high“ standards of Continental European MS and the comparably „lower“ threshold in the U.K.**
    - Cf. now ECJ *Infopaq*-case (2009).
  - Temporary copies, and any communication to the public explicitly included in the „exclusive rights“ catalogue.
  - Private copying exceptions restricted to reproductions of „non-electronic“ databases.

- **Investment Protection Right (sui generis right, Art. 7-11)**
  - Condition and object of protection: „substantial investments“.
  - Reciprocity of the new right, Art. 11 (Isle of Man; Australia).
- **Common Provisions (Art. 12-17)**
  - Application over time (Art. 14)
    - Note: Art. 14 (5) = Remarkable Solution of the „transition“-problem with respect to „old“ databases under the new sui generis right.
  - Implementation (Art. 16)
    - Note: All European Member States have implemented the Directive.

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## II. Main Provisions (2): Scope

- **Art. 1 (1):** „...databases in any form“
- **Art. 1 (2)**
  - **Systematic or methodical arrangement**
    - Aesthetic arrangements? → Opinion 1 (+); opinion (2) = index function is necessary.
  - **Independent elements (works, data or any other material)**
    - Independence of the included elements as crucial limitation with respect to all kinds of multi-media, and other audiovisual products.
    - Some clarification: Recital 19.
    - Discussions regarding electronic multi-media applications.
  - **Individually accessible by electronic or other means.**
    - *Federal Supreme Court of Germany – „Tele Info CD“ (1999):* sui generis right applies to „non-electronic databases“ (i.e. telephone books).
- **Art. 1 (3):** Excludes „underlying“ computer programs from the scope of the Directive.

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## II. Main Provisions (3): Scope

- „Classic“ Field of Application
  - Traditional Compilations (Telephone Directories; Encyclopedias ...)
  - All kinds of electronic databases, online and offline.
- Internet Applications as a „database“?
  - Search Engines (+), the „elements“ do not have to be owned by the database maker.
  - Compilations of links (+).
  - Compilations of other material (+), provided it is independent, e.g. price lists, small ads etc .
  - Possibly: The single pages of a larger website could be regarded as independent „elements“, which are systematically or methodically arranged and individually accessible.
- Other examples
  - Geographical data (and maps)
- (-) with respect to („integrated“) multi-media presentations or uniform graphical user interfaces of computer programs or internet applications („look and feel“; combination of icons etc.).

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## Hamburg District Court and Court of Appeal: Roche - Medizinlexikon (2000/2001)

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Roche Lexikon Medizin (4. Aufl.) - Microsoft Internet Explorer

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## Cologne District Court: „Kidnet.de“ (1999)

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The screenshot shows the Kidnet.de homepage in a Microsoft Internet Explorer browser window. The browser's address bar displays the local file path: C:\WINDOWS\Desktop\Publik.+Projekte\Munich Law Center\Kidnet\KIDNET1.HTM. The website header includes navigation icons for 'Kartell-karten', 'Forum', 'Experten', 'Shop', 'Wachhilfe-börse', 'Babysitter', and 'Reisen'. A 'Gäste' counter is visible. Below the header is a red banner for 'Herzklopfen bei www.douglas.de' and 'Kenzo Flower EdP € 37,-'. The main content area features a list of categories on the left, such as 'Aktionsseiten', 'Aktuelle Meldungen', 'Alleinerziehend', 'Allergie & Neurodermitis', 'Allgemein', 'Babys & Säuglinge', 'DVDs, etc.', 'Erziehung', 'Fotoalbum', 'Geburt', 'Gelesen & Gehört', 'Gesundheit', and 'Haushaltstipps'. To the right of these categories are several photo thumbnails, each with a caption starting with 'Fotos von...' and a status icon indicating a loading error: 'Die Seite kann nicht...'. The Windows taskbar at the bottom shows the Start button, several open application windows, and the system tray with the time 15:19.

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kidnet - Wir vernetzen Interessen aller Familien Eltern Mütter Väter Babys und Säuglinge - Microsoft Internet Explorer

Adresse C:\WINDOWS\Desktop\Publik.+Projekte\Munich Law Center\Kidnet\KIDNET2.HTM

Herzklopfen bei [www.douglas.de](http://www.douglas.de)

Kaiserschnitt - Häufige Fragen

Der Kaiserschnitt ist fast der einzige operative Eingriff, der in der Schwangerschaft vorgenommen wird. Nur im Notfall oder wenn die Schwangere es aus bestimmten Gründen möchte, wird er unter Vollnarkose vorgenommen. Ansonsten betäubt die Periduralanästhesie (PDA) den Unterbauch bis zum Zwerchfell hoch. So können Sie die Geburt Ihres Kindes bei vollem Bewusstsein miterleben...

Die Seite kann nicht...

Die Seite kann nicht...

Die Seite kann nicht...

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## Munich Regional Court (2006)



## II. Sui generis right (1): Conditions of Protection

- Art. 7 (1)
  - „Substantial investment“;
  - „in either the obtaining, verification or presentation of the contents“;
  - quantitatively and/or qualitatively.
- Art. 10 (3): Investments in the „updating“ of Databases.
- Main Points of Discussion
  - The height of the „substantiality“ threshold.
    - Mere „de minimis“ rule or need for considerable investments?
      - German „trend“: „de minimis“-rule;
      - however, the discussion in a European context could tend towards higher conditions of protection.
  - The „spin off“-problem or „**Which** investments are protectable?“
    - Related to the issue of a possible overprotection through the Database right in „sole source data“-situations and the resulting competition law problem (cf. slide 22).

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## II. Sui generis right (2)

### Case C-203/02: *British Horseracing Board v William Hill*

- Cf. also the three parallel *Marketing Fixtures*-cases, C-46/02, C-337/02 and C-444/02
- All available at [www.curia.eu.int](http://www.curia.eu.int); text with comments by Leistner also in 36 IIC 2005, 592-595.

### The *ratio decidendi*:

- Spin-off Theory expressly dismissed.
- The Court finds another solution in the notion of investment into „either the obtaining, verification or presentation of the contents“
  - *Obtaining*: Investment into the very generation of data excluded.
  - *Verification*: Investments into verification, which take place during the process of data generation excluded.

### The *result*:

Investment into the organisation, and „generation“ of different types of horseraces and their participants excluded.

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## II. Sui generis right (3): Scope of Protection

- **Exclusive Rights Art. 7 (2)**
  - Extraction = reproduction right („+“ temporary reproductions).
  - Re-Utilization = distribution right, making available right.
  - Community wide exhaustion of the distribution right.
- **Limited to**
  - **Art. 7 (2) = „substantial parts of the contents of a database“**
    - Relationship between the size of the extracted/re-utilized part and the complete size of the database.
    - Teleological interpretation with regard to the nature of the underlying investment and function of the original database.
  - **Art. 7 (5) = „repeated and systematic extraction/re-utilization of insubstantial parts“**
    - „which conflict with a normal exploitation of that database OR which unreasonably prejudice the legitimate interests of the maker...“
    - Art. 9 par. 2 „Berne Convention“?
    - Teleological interpretation with regard to the nature of the underlying investment and the specific market on which the database is exploited. i.e. *must „sum up“* to a substantial part.

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## II. Sui generis right (4)

### In Particular (cf. BHB v Hill):

- **Extraction/Re-utilization**
  - From whichever source, i.e. *no direct extraction needed*.
  - Even when the rightholder has made the data publicly available (this does not affect the exclusive right *as such*, although it might include an implicit license for the immediate user).
  - For whichever purpose, i.e. use for a competing product of the infringer is no precondition.
- **Quantitatively or Qualitatively substantial parts**
  - *Quantitatively* = In Relation to the overall volume of the database.
  - *Qualitatively* = In Relation to the overall investment.
- **Repeated and systematic extraction/re-utilization of insubstantial parts**
  - Must *„sum up“* to a substantial part AND
  - Substantial harm to the amortisation of the investment.

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## II. Sui generis right (5)

Case C-304/07: **Directmedia Publishing GmbH v Albert-Ludwigs-Universität Freiburg**

→ available at [www.curia.eu.int](http://www.curia.eu.int)

### The *ratio decidendi*:

- Emphasised the character of the sui generis right as a genuine, exclusive IP-right, protecting databases against unauthorized use in any form.
- ECJ missed the opportunity to further clarify the specific subject matter of the sui generis right.

### The *result*:

- 'Extraction' within the meaning of Art. 7 (2)(a) does not require the physical copying of data.
- An on-screen consultation of the first database and an individual assessment of this material can constitute an extraction within this meaning.
- Quantitatively or Qualitatively substantial parts are necessary.

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## II. Sui generis right (6): Exceptions and Limitations

- **Art. 8: Rights and Obligations of Lawful Users**
- **Art. 9: Exceptions to the sui generis right**
  - Private copying of non-electronic databases.
  - Illustration for non-commercial teaching or scientific research.
  - Purposes of public security or administrative or judicial procedure.
  - Limited to substantial parts?
  - Limited to lawful users?
  - Remarkably narrower than the exceptions to copyright.
- **Art. 10: Term of Protection**
  - **Art. 10 (1), 10 (2):** 15 years.
  - **Art. 10 (3):** New protection terms for „substantial“ updating.
    - Substantial changes needed or are substantial investments into verifications sufficient?
    - **Recital 55:** „... A substantial new investment ... may include a substantial verification ...“.

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## II. Sui generis right (7): Ownership of Rights

- Art. 7 (1): „a right for **the maker of a database...**“  
→ No legal definition in the text of the Directive.
- **Recital 41**: „the maker of a database“ is the person
  - who takes the initiative and the risk of investing;
  - whereas this excludes subcontractors in particular from the definition of a database maker.
- **Criteria:**  
Who bears the entrepreneurial risk, according to the terms of the underlying contract (Problems, when no clear contractual regulation).  
→ Need for clear contractual terms.
- The database right can be transferred in total (Art. 7(3)).

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### III. Restrictions on Competition and „Freedom of Information“

- General argumentation of the critics  
Over-protection → protection of the information as such, and therefore unduly limitation of the „free flow of information“.
- Problem: „sole source data situations“ (e.g.: TV-programme listings; train timetables; horse-racing lists etc.)
  - Possible solutions:
    - *“BHB v Hill”*: Limitation of the notion of protectable investments; it is necessary to distinguish between generation and compilation of data
    - Competition Law: Art. 82 EC?
      - „Magill“; „IMS Health“ → Application of the „essential facilities“-doctrine („Bronner“) to IP-rights ?
    - Interpret the substantiality criterion with regard to this problem?
      - „spin off“ doctrine; exclusion of costs for „generating“ data?
      - Can specific limitation of the market on which the database is refianced be considered for assessing the scope of protection?
      - *“BHB v Hill”*: Purpose and position of the infringer is irrelevant, however, „generation“-costs must be excluded.
    - Explicit provisions on compulsory licenses?
    - Alternative approach: *misappropriation*-doctrine/unfair competition law.

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## IV. Perspectives

- **Europe**
  - ECJ decisions in “*BHB v Hill*”, “*Marketing Fixtures I-III*”, “*Apis-Hristovich v Lakorda*” and “*Directmedia v Universität Freiburg*” Cases.
  - **DG Internal Market: Evaluation Report of 12 December 2005 and reactions** → available at [http://ec.europa.eu/internal\\_market/copyright/docs/databases/evaluation\\_report\\_en.pdf](http://ec.europa.eu/internal_market/copyright/docs/databases/evaluation_report_en.pdf)
    - no proven positive effects on the growth of database industry in Europe
  - However, actually no changes intended.
- **USA, WIPO**
  - + No current projects for specific database protection.
- **Asia**
  - Main concern: Compliance with TRIPS (Art. 10 [2]), e.g. China → Copyright protection for databases.
  - Additional database rights are seen rather sceptically.

## Important Cases of the ECJ

- C-203/02 (9. 11. 2004) *The British Horseracing Board Ltd u.a. v William Hill Organization Ltd* (**BHB v Hill**)
- C-444/02 (9. 11. 2004) *Fixtures Marketing Ltd v Organismos prognostikon agonon podofairou AE (OPAP)* (**Fixtures Marketing I**)
- C-338/02 (9. 11. 2004) *Fixtures Marketing Ltd v Svenska Spel AB* (**Fixtures Marketing II**)
- C-46/02 (9. 11. 2004) *Fixtures Marketing Ltd v Oy Veikkaus Ab* (**Fixtures Marketing III**)
- C-304/07 (9. 10. 2008) *Directmedia Publishing-GmbH/Albert-Ludwigs v Universität Freiburg* (**Directmedia Publishing**)
- C-545/07 (5. 3. 2009) *Apis-Hristovich EOOD v Lakorda AD* (**Apis-Hristovich**)

## **Legal Protection for Databases**

Thank you for your attention.

Prof. Dr. Matthias Leistner, LL.M. (Cambridge)  
Chair for Civil Law, Intellectual Property and Competition Law  
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