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Database Rights

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Databases

1. Preliminary: It is necessary to consult the following source materials when considering database rights:
 - a. The Copyright, Designs and Patents Act 1988 (ss 3 and 3A).
 - b. Directive 96/9/EC of the European Parliament and of the Council (on the legal protection of databases) (“the Directive”).
 - c. The Copyright and Rights in Databases Regulations 1997 (the Regulations).

Definition of database

2. The word “database” is defined in the Directive and reproduced in the UK Database Regulations (Regulation 6) and in the CDPA (s.3A (1)) as:

“...a collection of independent works, data or other materials which

 - a. Are arranged in a systematic and methodical way, and
 - b. Are individually accessible by electronic or other means.”

This meaning applies for both copyright and database right purposes.

3. A computer database is a collection of data stored in or on computer media usually in the form of a computer file or files. Databases take a variety of forms and include lists of clients and their addresses, works of

art, music and sounds, films and film extracts, computer programs, numbers, facts, images etc. The materials must be “independent” and separable from one another. Consequently it is not possible for an audio visual, cinematographic, literary or musical work to constitute a database. For a collection to attract protection as a database there must be systematic or methodological arrangement and individual accessibility. There must be a technical means such as an electronic process or indexing or a plan or particular mode of classification which facilitates the retrieval of the independent material in the database. It is the means of retrieving constituent individual materials that makes a database different from a mere collection of materials.

4. Computer databases differ from written or typed collections of information in that computer databases translate information into digital representation in order for it to be stored. Information is reduced to digital form using code. Computer programs which access computer databases convert the digital representation into readable form. Databases most likely to be dealt with are those accessed and manipulated using computer programs and enhanced by associated indexes and links etc.
5. The Directive attempts to harmonise the protection of databases throughout the European Community. Databases are increasingly important because of their role in the development of an information market. Databases require significant investment in information systems and such investment is encouraged in the Community.

Forms of Protection

6. The Regulations implemented the Directive in the UK. The Regulations:
 - a. Created sui generis database right where there has been “a substantial investment in obtaining, verifying or presenting the contents of the database”.
 - b. Created new class of literary work, ie a database, which has a higher test of originality than for other works in that it will only be eligible for copyright protection if it is “original” in the sense that “by reason of the selection or arrangement of the contents of the database it “constitutes the “author’s own intellectual creation”.
 - c. Excluded databases from the category of literary works consisting of tables or compilations (which had the relatively low test of originality applied to literary works in general).
7. The rights which protect databases apply to both electronic and non-electronic forms and there is no distinction between computer databases and paper databases. There is substantial overlap between copyright and the sui generis database right and often a database will attract both forms of protection. There are no moral rights in respect of the database right as such.
8. Databases may attract multiple forms of potential protection:
 - a. Copyright protection for each element of the contents if they are original works of authorship and copyright has not expired.

- b. Copyright protection for the database as a whole provided it is the author's own intellectual creation.
 - c. Protection under the sui generis database right if the making of the database required a substantial investment in obtaining, verifying or presenting the contents.
 - d. The software underlying the database will also be protected by copyright belonging to the software manufacturer.
9. Databases broadly comprise two elements: structure and contents. Broadly, copyright protection under the Directive is intended to apply to structure and database right to both contents and structure.

Copyright

10. Copyright protection in general requires only that the work originated from the author and is the result of (minimal) skill, effort or judgment. Section 3A (2) of the CDPA 1988, however, provides that a literary work consisting of a database is original if, and only if, by reason of the selection and arrangement of the contents of the database, the database constitutes the author's own intellectual creation (Directive recital 16 provides that no other criterion should be applied, in particular, no aesthetic or qualitative criterion).
11. "Copyright does not subsist in a literary ...work unless and until it is recorded in writing or otherwise" (CDPA s. 3(2)). A recording in "writing"

includes "any form of notation or code, whether by hand or otherwise and regardless of the method by which, or medium in or on which, it is recorded". (CDPA s. 178).

12. Databases created by direct human skill and judgment may be works of copyright even if various parts that make them up are well known and in the public domain eg a database of statutes and regulations. The skill and judgment referable to the databases is in selecting, structuring and arranging material ie acts of intellectual creation. Databases resulting from effort alone, once the contents have been determined, are not protected. A simple database of clients' names and addresses would not attract literary copyright if all that was required to compile the database was "sweat of the brow" ie labour only and no skill or judgment in the selection of material to be entered on the database. The work must be original and be "the author's own intellectual creation". The proposition that works that result from labour only might be protected by copyright was rejected in the US in *Feist Publications Inc v Rural Telephone Service Co Inc* (1991) where it was held that the white pages section of a typical telephone directory was not protected by copyright because of a lack of creativity, not owing its origin to an act of authorship. The author of an original database is the person who creates it and is a natural person (CPDA s 9(1)).
13. The CPDA 1988 was amended so as to add "database" to the list of things that are literary works and to exclude databases from compilations (s. 3(1) (a) of the CDPA 1988 - databases are treated separately from other forms of compilation). Copyright protection extends beyond the literal expression

of the literary work to non-literal elements such as, in the case of a computer program, the underlying structure of the work. Recital 15 to the Directive states that copyright protection should cover the structure of a database - by this is meant the way in which information is structured within the database eg into separate fields each containing distinct types of information. In a simple example each separate field of information might mean names, addresses, occupations etc.

The sui generis Database Right

14. The Regulations came into force on 1st January 1998 implemented the Directive on the legal protection of databases. They made some changes to the CDPA 1988 and created the new "database right". The essential divide is between those databases which (1) are the author's own intellectual creation (protected by copyright) and those which (2) involve in their making a substantial investment in obtaining, verifying or presenting the contents of the database (protected by database right).
15. "Investment" includes any investment, whether of financial, human or technical resources. "Substantial" in relation to any investment, extraction or re-utilisation, means substantial in terms of quantity or quality or a combination of both.
16. The sui generis right exists alongside literary copyright and fills the gap caused by raising the threshold for copyright protection for databases with

the higher criterion of originality. Database right protects databases which may not attract copyright protection but are commercially viable having resulted from substantial investment. Databases often attract both forms of protection.

17. Database right is a property right which subsists where there has been a substantial investment in obtaining, verifying or presenting the contents of the database. The Directive uses the test of an investment consisting of the deployment of financial resources and/or the expending of time, effort or energy. As to obtaining, verifying or presenting:
 - a. "Verification" refers to the resources used to ensure the accuracy of data when collected and during the operation of the database.
 - b. "Obtaining" refers to the resources used to seek out existing independent materials and collecting them into the database (not the resources used for the creation of materials making up the contents of the database).
 - c. "Presenting" refers to the resources used for the purpose of giving the database its function of processing information ie those resources used for the systematic or methodological arrangement of the materials contained in the database and the organisation of their individual accessibility.
18. Relevant factors when assessing substantiality include the scale, nature and contents of the database and the commercial sector in which it relates

and investment may consist in the deployment of human, financial or technical resources. The quantitative assessment refers to quantifiable resources and the qualitative assessment to efforts which cannot be quantified, such as intellectual effort or energy.

19. The maker of a database subject to database right is defined in Regulation 14(1) as the person who takes the initiative in obtaining, verifying or presenting the contents of a database and assumes the risk of investing in that obtaining, verifying or presentation, such acts constituting the act of making a database. Under regulation 15 (1) the maker is the first owner of the database right. Regulation 14(5) provides that a database is made jointly if two or more persons acting together in collaboration take the initiative in obtaining, verifying or presenting the contents of the database and assume the risk of investing in that obtaining, verification or presentation.
20. Where an article is made in the course of employment, the employer is the maker of the database unless there is an agreement to the contrary. Usually where the employee makes the database it is the employer who in reality would have taken the initiative in the obtaining, verification and presentation of the contents and assumes the risk of that investment.
21. The term of protection for database right (Regulation 17) is 15 years from the end of the calendar year during which the making of the database is completed. However, if the database is made available to the public before the end of that period, the right will continue to endure for 15 years from the end of the calendar year during which it was first made available.

22. If a database is constantly updated or modified a fresh 15 year term applies when such changes become substantial, including any substantial change resulting from an accumulation of successive additions, deletions or alterations provided the database would be considered to be a substantial new investment. There is manifestly room for argument over when protection ceases and when a new database right comes into existence. In the BHB case AG Stix-Hackl noted that databases which are constantly updated are “dynamic” in that as new data is added previous versions of the databases disappear. Dynamic databases, she said, enjoy a “rolling sui generis right” in which the whole database not just the additions enjoy the new term of protection. Where changes to a database are individually insubstantial when taken together they may amount to substantial changes which would enable unlimited protection on a rolling right.

Acts Infringing Database Right

23. Regulation 16 (1) provides that a person infringes database right in a database if, without the consent of the owner of the right, he extracts or re-utilises all or a substantial part of the contents of the database. Substantiality is not a precise term and is a question of quantity or quality or a combination of both. Regulation 16(2) provides that repeated and systematic extraction or re-utilisation of insubstantial parts of the contents of a database may amount to the extraction or re-utilisation of a substantial part of those contents. This may become important if small parts of a large database are persistently taken eg from an online service.

24. Article 7 (5) of the Directive provides that repeated and systematic extraction and/or re-utilisation of insubstantial parts of the contents of the database (implying acts which (1) conflict with a normal exploitation of that database or (2) which unreasonably prejudice the legitimate interests of the maker of the database) shall not be permitted. Thus any exploitation that interferes with the owner's commercial exploitation of the database will normally infringe.
25. "Extraction" means the permanent or temporary transfer of those contents to another medium by any means or in any form. "Re-utilisation" means making those contents available to the public by any means (renting, on-line or other forms of transmission). Unauthorised extraction and re-utilisation by a third party from a source other than the database itself are capable of amounting to infringement ie there is no general principle that the extraction and re-utilisation must result from direct access to the protected database. The words "repeated and systematic extraction" are to be understood cumulatively. There is a repeated and systematic act when it is carried out at regular intervals eg weekly or monthly. In William Hill's case the acts took place each time there was a race and were, therefore, repeated and systematic. However, the acts concerned insubstantial parts of the database and since there was no possibility of reconstituting the whole or a substantial part of the database there was no infringement.
26. Regulation 19(1) provides that a lawful user of a database which has been made available to the public in any manner shall be entitled to extract or

re-utilise insubstantial parts of the contents of the database for any purpose and Regulation 19(2) provides that any term in the agreement purporting to prevent such extraction or re-utilisation shall be void.

27. Regulation 20 provides for a fair dealing defence ie database right is not infringed by fair dealing with a substantial part of the contents of the database if:
- That part is extracted from the database by a person who is a person who is a lawful user of the database and
 - It is extracted for the purpose of illustration for teaching or research and not for any commercial purpose and
 - The source is indicated.

(See also Schedule 1 to the Regulations which provides exceptions to infringement for Parliamentary and judicial proceedings, Royal commissions and statutory enquiries and material open to public inspection or on an official register. Also see Regulation 20A which provides an exception for deposit libraries).

28. The other permitted acts which apply to literary copyright do not apply to database right in particular fair dealing for criticism or review or for reporting current events do not apply.
29. Regulation 21 provides that it is not an infringement to extract or re-utilise

where it is not possible by reasonable enquiry to ascertain the identity of the maker of the database and it is reasonable to assume that the database right has expired.

30. Regulation 22 provides that where a name purporting to be that of the maker of the database appears on copies of the database as published, it is presumed that the person is the maker and the database was not made in circumstances where the employer would be the first owner (Regulation 22(2)). Where copies of the database as published bear a label or mark stating that the named person was the maker of the database or that the database was first published in a specified year the label or mark shall be admissible as evidence of the facts stated and shall be presumed to be correct unless the contrary is proved (Regulation 22(3)).
31. The 1997 Regulations apply to databases made before or after 1st January 1998. However, no act done before commencement or after commencement, in pursuance of an agreement before commencement, shall be regarded as an infringement of database right in a database. The remedies available to the database owner for infringement of database right are the same as the civil remedies under the CDPA 1988 for infringement of copyright save that there is no entitlement to delivery up and seizure are excluded.

British Horse Racing Board v William Hill

32. This is first major case on database rights. BHB maintained a database of racehorse owners, colours, trainers, jockeys, pre-race information etc

which was constantly enlarged and updated so that it included the times of races, sponsors, weights, stalls horses started from. The data was licensed for use in return for payment of a licence fee. William Hill, a bookmaker, set up an internet betting site where current odds were given in real time. BHB contended that the information in William Hill's internet site came indirectly from the BHB database (via a licensor's service and from newspapers which took their information from the BHB site). BHB alleged that William Hill was infringing its database rights (1) by extraction or re-utilisation of a substantial part of the database and (2) by the repeated and systematic extraction of insubstantial parts of the contents of the database. At first instance (Laddie J) the court found there was infringement and on appeal the Court of Appeal made a reference in respect of the interpretation of the Directive to the Court of Justice. Broadly, the Court of Justice found that the parts of the database extracted and re-utilised by William Hill did not require independent investment to that required for their creation and consequently did not constitute a substantial part in qualitative terms. The decision of the Court of Justice interpreted four of the aspects of the Directive: "investment"; "extraction and re-utilisation"; "substantial and insubstantial" and "repeated and systematic extraction and re-utilisation".

33. "Investment": It was held that this does not refer to the investment in creating the materials used in the database (which is where much of BHB's investment went). The purpose of the Directive was to protect the investment in seeking out existing materials and arranging them together to form the database.

The investment in drawing up a list of runners etc does not count as relevant investment nor does verification of the list because that would be done in relation to creating the data and was not verification of existing data.

34. "Extraction and re-utilisation": The purpose of the database right was to protect the investment of the maker of the database by giving the maker control over access to the database and over re-utilisation of the contents. The protection was not limited to restraining competing databases but extended to any acts which could be detrimental to the investment in the original database such as preventing access to or publication of substantial parts of the contents of the database. Importantly, indirect extraction or re-utilisation is potentially an infringement because it can prejudice the maker's investment in the original database.
35. "Substantial and insubstantial": Substantiality is a matter of quantity or quality or both. Extraction or re-utilisation of a substantial part is an infringement but if there is repeated and systematic extraction or re-utilisation of insubstantial parts this must conflict with the normal exploitation of the database or unreasonably prejudice the legitimate interests of the maker for there to be an infringement. The Court of Justice held that an insubstantial part is a part that is not substantial in terms of quality and is not substantial in terms of quantity. As to substantiality:
- a. Quality: this is measured by considering the scale of the investment in relation to the contents extracted or re-utilised so that a small

taking may still be substantial if it represents a significant investment in human, technical or financial resources in obtaining, verification or presentation.

- b. Quantitatively: this is the volume of data extracted or re-utilised compared with the volume of the database as a whole.

A quantitatively negligible part of the contents of a database may represent in terms of obtaining, verification or presentation, significant human, technical or financial investment. The intrinsic value of the data itself which may have been extracted is not relevant because the data itself is not protected. The resources used for the creation of the data as such are also irrelevant to the assessment.

36. "Repeated and systematic extraction and re-utilisation": Lawful users may extract or re-utilise insubstantial parts of the database except as provided by Article 7(5) of the Directive. This provides that such repeated and systematic acts shall not be permitted if they **"conflict with a normal exploitation of that database or which unreasonably prejudice the legitimate interests of the maker of the database"**.
37. The acts which conflict with the normal exploitation of a database or which unreasonably prejudice the legitimate interests of the maker of the database refer to unauthorised acts the purpose of which are to reconstitute the whole or a substantial part of the database through cumulative acts of extraction or make the whole or a substantial part of the database available to the

public through the cumulative effect of acts of re-utilisation. These acts must seriously prejudice the investment made by the maker of the database. The Court of Justice rejected the notion that an accumulation of takings which did not amount to a substantial part could amount to an infringement.

38. The Court of Appeal in applying the ruling of the Court of Justice held that so far as BHB's database consisted of officially identified names of runners and riders it was not subject to the database right. BHB's submission that its database was not one made by creation but by gathering and checking independent materials was rejected by the Court of Appeal. The database was not a collection of existing independent materials it contained unique information namely the "official list of riders and runners" and was different from a mere database of existing material. As the Court of Justice stated the investment in selecting horses admitted to run in a race for the purpose of organising horse racing did not constitute investment in obtaining the contents of the database and the prior checking was for the purpose of creating the list for the race. The expression "investment in the obtaining of the contents of a database" must be understood to refer to the resources used to seek out existing independent materials and collect them in a database and not the resources used for the creation as such of independent materials. The purpose of the sui generis right is to promote the establishment of storage and processing systems for existing information and not the creation of materials capable of being collected subsequently in a database.

39. At the same time as the BHB ruling the Court of Justice ruled in the three cases involving football fixture lists. It was held that the term database

referred to any collection of works, data or other materials separable from one another without the value of their contents being affected, including a method of or system for the retrieval of each of its constituent materials. Therefore, a fixture list for a football league was a database within the meaning of the Directive. The investment in obtaining the contents of a database did not extend to resources used to establish the dates, times and team pairings for the matches in the league. This was much the same as the ruling in the BHB case.

40. Sui generis database right tends not to protect lists of sporting fixtures because of the lack of sufficient investment in the database per se. However, it remains possible for sporting fixtures lists to be protected where there has been enhanced investment in a more sophisticated presentation of the data eg enhanced indexing.

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Winter 2006

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Robert has broad experience in chancery, commercial and business related civil litigation with specialist knowledge in intellectual property and media and entertainment. His expertise extends to banking and guarantees, partnership, construction, fraud and asset tracing and professional negligence. Primarily known as a litigator he has undertaken many heavily contested often high profile trials and devoted a substantial part of his practice to specialist advice work. He is an experienced interlocutory litigator particularly in relation to freezing and search orders and other interim remedies.



His intellectual property practice ranges from trade marks to copyright, patents and design right work and he has extensive experience of defamation and privacy claims. He has chaired and for some years delivered lectures at the annual intellectual property law and sports law conferences for London Legal Training. His lecture topics have included privacy and image rights, performers' rights, performers' royalties, database rights and freedom of movement of goods.

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