Study in support of the evaluation of Directive 96/9/EC on the legal protection of databases

ANNEX 1: In-depth analysis of the Database Directive, article by article

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1 Definition of a database

1.1 The law

The directive states:

> *"Article 1 – Scope:*
>
> *This Directive concerns the legal protection of databases in any form.*
>
> *For the purposes of this Directive, 'database' shall mean a collection of independent works, data or other materials arranged in a systematic or methodical way and individually accessible by electronic or other means.*
>
> *Protection under this Directive shall not apply to computer programs used in the making or operation of databases accessible by electronic means."*

1.2 Implementation in the Member States

1.2.1 Statutory law

The picture is that, according to expert sources, most Member States have transposed the definition of a database in the Database Directive: at least 21 Member States have transposed Art 1.2 completely or mostly. However, our experts found that the implementation in some Member States could be an area for discussion (though of course the national courts might well interpret the implementing legislation in the light of the terms of the Directive:

- Germany (complex regime, see Annex), Lithuania (the notion of "independence" seems missing) and Luxembourg (among others, it is required to make a substantial investment as a condition for copyright protection) have defined the subject matter in rather specific ways if compared to the Directive.
- Denmark, Finland and Sweden do not seem to use a definition of database as worded in the Directive in their legislation.

In a more detailed analysis, we grouped countries according to their definition of the subject matter. A first group, comprised of Croatia, Latvia, Slovakia, the Czech Republic, Belgium, Estonia, Greece, Hungary, Ireland, Malta, Portugal and Romania, Bulgaria, France, Italy, Spain, Austria, Slovenia and the Netherlands, have an identical definition as in the directive. In this group some expressly exclude recordings, audio-visual, cinematographic, literary or musical works, some do not. It does not matter that Member States have not included this exclusion stemming from recital 17 as the independence criterion does the trick.

A second group, comprised of Cyprus, Lithuania, Poland, have a definition which is identical or quasi identical, however, the independence criterion is missing. This is more problematic as the criterion of independence is crucial so that works that are normally protected by copyright (music, novels, movies) are not classified as databases and thus protectable by the sui generis right if the definition is not interpreted in conformity with the directive by courts and legal advisers.

A third group is comprised of the Nordic countries namely Sweden, Denmark and Finland. Because those countries have simply slightly adapted their catalogue

rule, they did not include the definition of a database in their act or transformed it so that it stuck more closely to their precious catalogue rule. Accordingly, Sweden has a different definition for copyright than for the sui generis right. For "sui generis right databases", article 49 of the Swedish copyright act uses the wordings "*a catalogue, a table or another similar product in which a large number of information items have been compiled or which is the result of a significant investment*". For "copyright databases", article 5 of the Swedish copyright act uses the wording "*a composite literary or artistic work*". In Denmark and Finland, the definition of a database has not been implemented. The Finnish definition of "database" seems to be "a literary or an artistic compilation work".

Germany offers a similar problem to the Nordic countries. According to our interview partners, the German law offered protection for works of collection (Sammelwerke) prior to the Database Directive and this protection was preserved. In other words, the collections are protected under three different regimes, i.e. under the work of collection, under the copyright protection of databases and under the sui generis protection of non-original databases. Hence, German law protects some additional works of collection on top of the two categories of the Database Directive, like an art exhibit. The German Copyright Act does not include any definition of database notion in general, instead it defines the three categories of databases. It proposes a definition for the broader sense of work of collection which is similar to the copyright protection of databases, provided by the Directive. However, the definition of 'work of collection' does not include any provision for the systematic or methodological way of content arrangement and for the electronic or other individual access. These two elements are added to the definition of copyright protected databases. The sui generis protection is also available in Germany and relates to the contents of a database, independently of whether the copyright regime protects the database.[1]

According to our interview partners, the Luxembourg copyright act does not give a definition of a database common to copyright and *sui generis* right. The criteria required in the definition of a database in article 1.2 (such as independence of its elements, systematic or methodical arrangement, individual accessibility) do not apply to non-original databases under the act, thus allowing the scope of protection of non-original databases to be much wider than allowed under the Directive.

Finally, in the United Kingdom, the definition is identical to the Directive's, but a database is classified as a literary work. This is a problem as databases made of elements which are not literary could be excluded unless courts interpret the definition in conformity with the directive. So far, no such problem has occurred in the case law yet.

[1] M Gruenberger, 'Germany', in Lionel Bently (ed), *International Copyright Law and Practice* (Lexis Nexis, 2017, forthcoming)

1.2.2 National case law

The case law since 2005 has been scarce and overall in line with the directive. Two judgments were rendered in Poland which are in line with the directive and CJEU case law (see Polish grid). In Sweden there were a number of decisions in line with the directive as well but the Swedish Supreme court and a lower court both acknowledged the problem with the definition in the Swedish copyright act but refrained from taking a position (see Swedish grid).

1.2.3 Conclusion

The statutory laws of the Nordic countries, Germany, Luxembourg and the United Kingdom are very problematic as the directive imposes a single definition for copyright and sui generis right and also the words used (or not used) in the definition in the Nordic countries and in Luxembourg contradict many requirements of the directive's database definition. In Germany, the problem is even more acute as art exhibits and television programs should normally fall within the directive's definition of a database, but they will, apparently, only be protected by copyright law not the sui generis right. In the United Kingdom, the number of protectable databases is far less comprehensive because of the categorisation of a database as a literary work. In Finland, Denmark, Luxembourg, Germany and the United Kingdom[2], there does not seem so far to have been any problems emerging in the courts. However, this does not mean that there are no problems as database makers and users rely on it.

1.3 Findings of the study

1.3.1 Public consultation

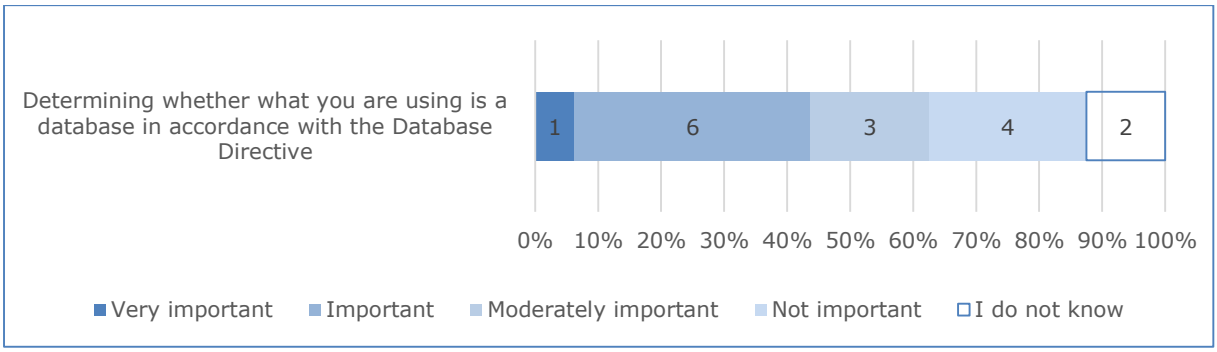
It emerges from the public consultation that the respondents who left comments would like to see a clarification of the concept of database, which they find vague or too broad, mentioning the lack of legal certainty the definition generates. Some propose to use the word substantial in the definition to avoid having protection for databases having very few records.

1.3.2 Questionnaire

For users, determining whether what they are using is a database is important but a small majority states there are no barriers in doing so (see Figure 1 and Figure 2).

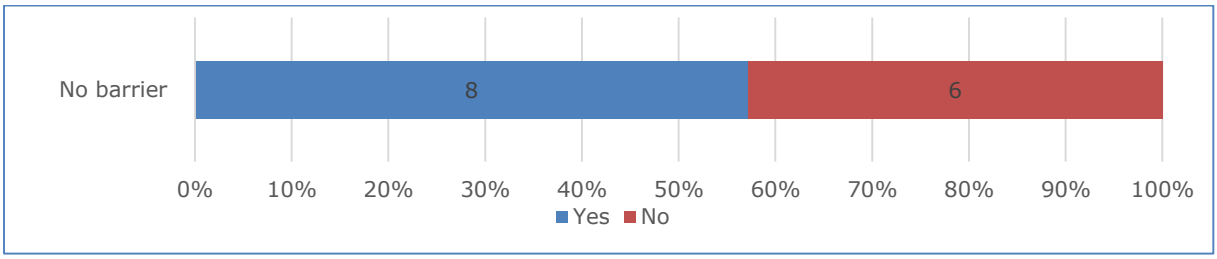
[2] In the United Kingdom, in *Technomed*, the court held that a pdf document could be a database because 'the contents of the pdf can be accessed, either through electronic conversion, through digital character recognition, or old-fashioned reading or re-typing.'

Figure 1 Users' opinion on importance of the barrier of determining whether what they are using is a database according to the Database Directive



Source: Survey conducted for this study.

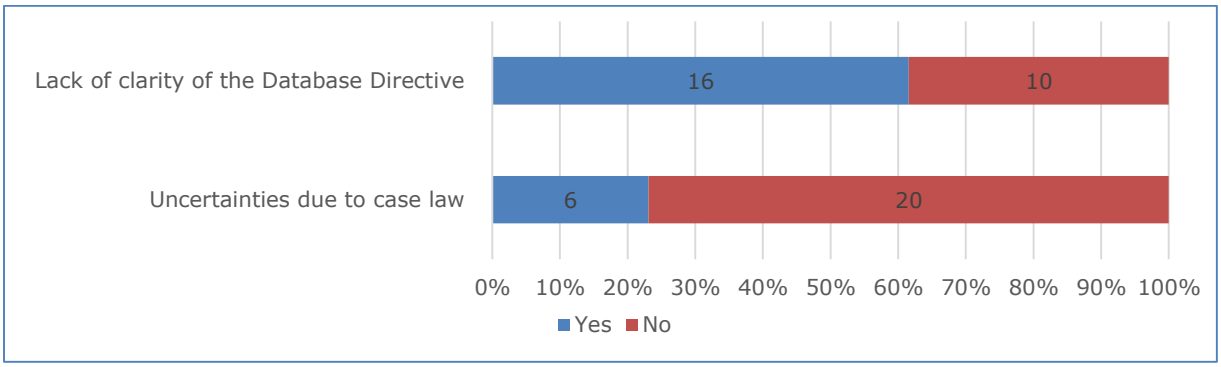
Figure 2 Users' opinion on the existence of a barrier determining whether what they are using is a database according to the Database Directive



Source: Survey conducted for this study.

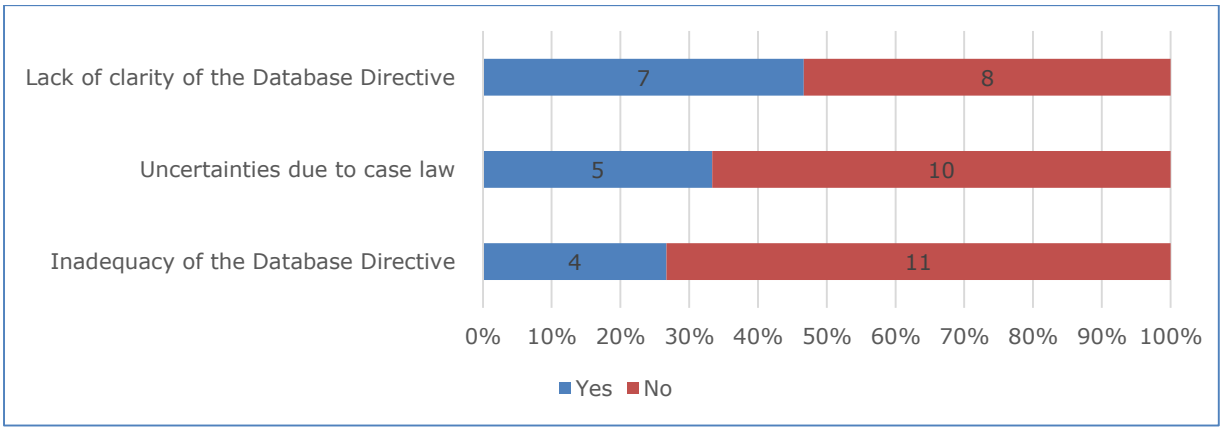
The answers of the user-makers reveal a mixed picture - for ca. half it is not important, or they don't know, for ca. the other half important, it is moderately or very important (see Figure 3 and Figure 4).

Figure 3 User-makers' opinion on the barriers to determine whether what they are using is a database according to the Database Directive



Source: Survey conducted for this study.

Figure 4 User-makers' opinion on the barriers to determine whether a particular intellectual production is a database according to the Database Directive

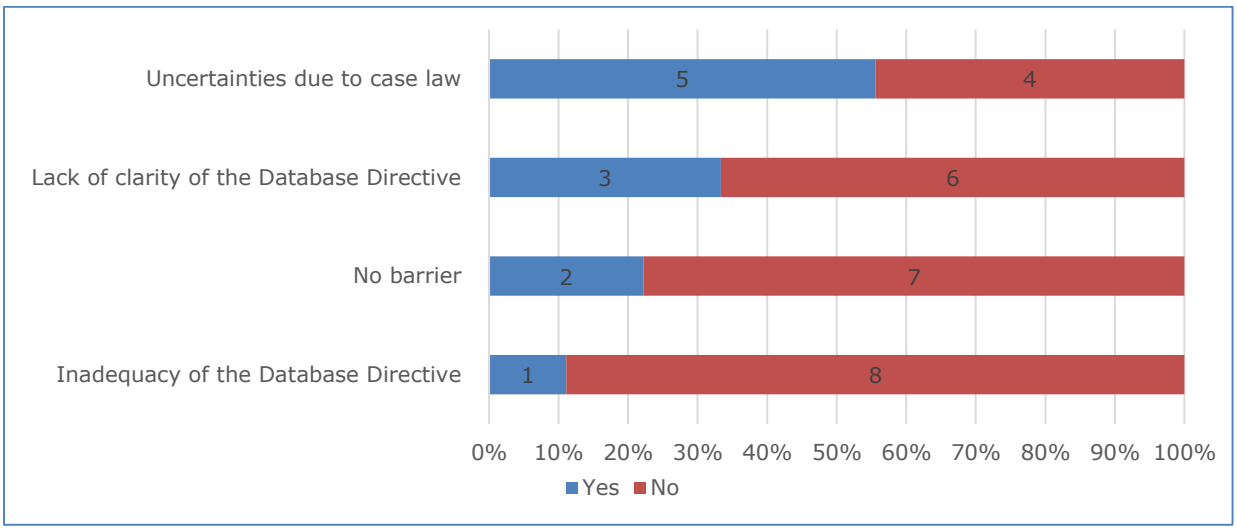


Source: Survey conducted for this study.

The reasons for the barriers are mainly the lack of clarity of the directive itself, which makes sense as the case law is not very abundant on the definition of a database and for the most part has clarified some concepts.

Makers do not find it problematic to determine that their database is falling within the directive's definition: 45% of the respondent deemed not important to determine whether a particular intellectual production is a database or not (see Figure 5).

Figure 5 Makers' opinion on the barriers to determine whether a particular intellectual production is a database according to the Database Directive



Source: Survey conducted for this study.

Mostly they think there is no barrier or if there is it is because of the case law rather than the directive itself.

1.3.3 Workshop

There was overall agreement that there are a number of definitional issues that need addressing to add clarity to the database regime, especially clarifying what the term 'database' refers to. Some participants of the first group to this theme suggest that the definition of database is not clear enough and would like it to be

widened in order to include also other products (e.g. software). Some also pointed out that reference to CDs in the Database Directive is nowadays obsolete. Some other participants suggested narrowing down the definition of database and sui generis right. In fact, if a narrower definition of database were adopted, some makers might wish to use contract to protect those that fell outside the definition. Yet others want changes in the definition of database, especially because of new technological advancements and because user's habits are modifying the way databases are created, therefore reshaping the very same nature of the database industry (e.g. dynamic access to databases, which needs contractual support).

1.3.4 Conclusion

It seems that for the most part the definition has not caused problems though many across groups think the case law and/or the directive could be clearer.

If the European Commission decides narrow the definition of a database, this will create a problem for users of databases outside the scope of the database as they can then be subject to contracts and thus to the *Ryanair* problem (see below on *Ryanair* case). Therefore, it may make sense to widen it so long as the Database Directive provisions are tightened generally. Alternatively, we could narrow it but then have rules limiting contractual freedom for those databases not fall in the definition e.g. a user's right (see below under relationship with contracts).

We would be cautious about deleting the word "materials" in the database definition, which has been interpreted in the literature as including tangible objects (cars, stones etc). Some commentators have argued this is an oddity. However, collections of tangible materials arguably cover mostly museums. Some small museums do not make catalogues and it may be that they benefit rightly from the copyright and sui generis right i.e. they need protection.

There is potentially an issue about the interpretation of the concept of independence (autonomous informative value) in *Verlag Esterbauer*.[3] It broadens the definition as it does not matter - ie the database is still a database - if the autonomous informative value is reduced once the data is extracted so long as it has value for any user. As the CJEU stated, "the autonomous informative value of material which has been extracted from a collection must be assessed in the light of the value of the information not for a typical user of the collection concerned, but for each third party interested by the extracted material." It may be that the definition is too broad as a result of this decision, but this could be adequate for the reason stated above (resulting from the impact of *Ryanair*) and if other rules are tightened as proposed below (higher threshold of investment, shorter term, less broad rights), then a broad definition is not as problematic.

It would probably be necessary to clarify/address the problem of big data, IoT, sensor-generated data as part of the definition in due course. Indeed, it may be too early to legislate in this matter. More sector consultations/experience may be warranted. On this, see further below under the title 'data ownership and big data'.

[3] Judgment of the Court (Second Chamber) of 29 October 2015, Freistaat Bayern v Verlag Esterbauer GmbH, Request for a preliminary ruling from the Bundesgerichtshof, Case C-490/14.

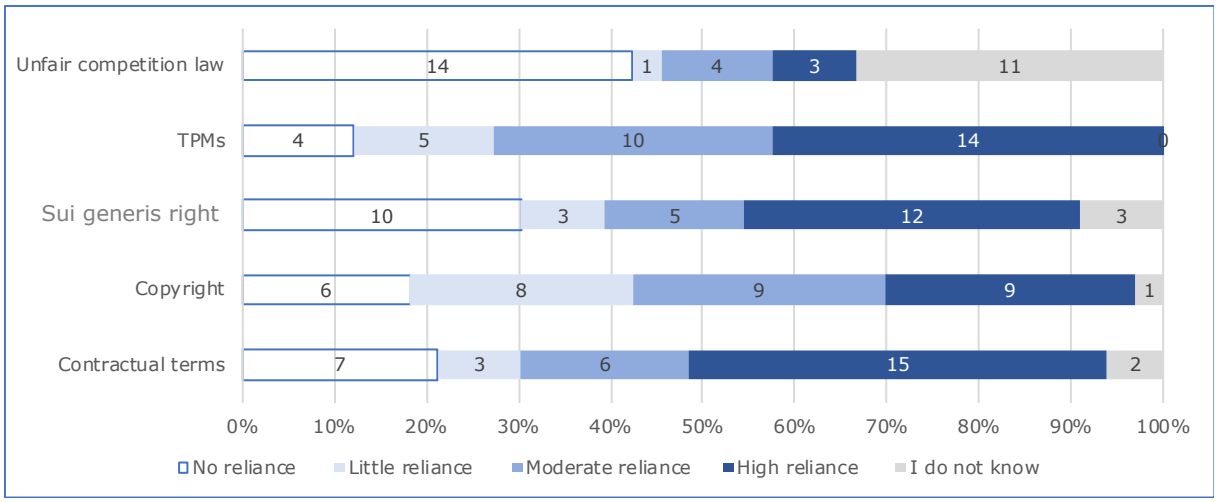
2 Copyright Protection of Databases

Alongside ensuring that investment in databases was sufficiently incentivised (through the sui generis right), one of the main goals of the Database Directive was to establish a common standard for protection of databases by copyright as works.

Although there were a number of submissions to our Study that suggested that copyright protection of databases was not in general important,[4] other evidence suggests otherwise. Moreover, some evidence suggests that harmonization of copyright aspects of databases is in many respects the biggest success of the 1996 Directive.

In response to the question, "to what extent do you rely on the following means to protect your databases against unauthorised use?" marginally more makers responded that they relied on copyright as relied on sui generis right (see Figure 6).

Figure 6 Reliance of database makers on different means to protect databases against unauthorised use

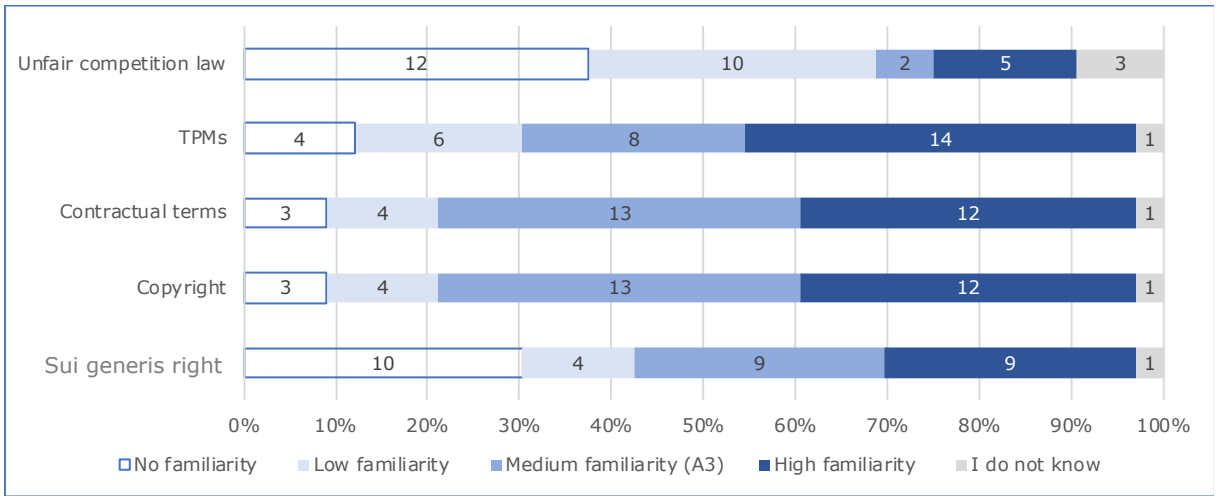


Source: Survey conducted for this study.

We also found that familiarity among makers and user-makers with copyright was high, significantly higher than with sui generis right (see Figure 7 and Figure 8).

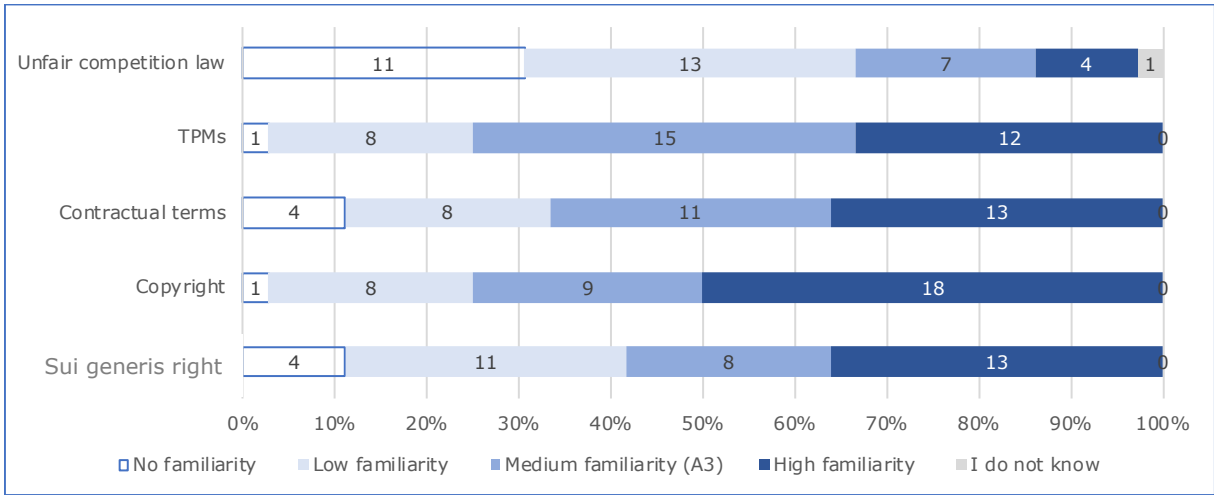
[4] According to the French interviewee, copyright protection for the structure is « quasi useless » and to his knowledge, there has not been a case of copying of any database structure.

Figure 7 Familiarity of database makers with different means to protect databases against unauthorized use



Source: Survey conducted for this study.

Figure 8 Familiarity of database user-makers with different means to protect databases against unauthorized use



Source: Survey conducted for this study.

Perhaps as significantly, we found that those who had been involved in legal disputes and proceedings over databases, were equally likely to have been disputing copyright aspects as rights in databases (see

Table 1).

Table 1 Participants involved in legal disputes and proceedings over databases

	Count	Percentage (of total respondents)
Copyright	42	24.6%
Sui Generis Right	42	24.6%

Source: Survey conducted for this study.

All this suggests to us that when considering policy options in relation to legal protection of databases, the Commission should pay attention to copyright issues as well as to those relating to sui generis right.

The aspects of copyright in databases were harmonized in Part I of the Directive. The four articles deal with the object of protection; authorship; rights; and exceptions.

2.1 Object of Protection: Originality

Prior to the Directive, one of the most widely-discussed issues was how far databases could be protected by copyright in the light of the originality standard. In the United States, the Supreme Court determined that the US Constitution allowed protected through copyright law only for works which displayed a minimum amount of creativity. Works that were the product of laborious collection and systematic arrangement, such as an alphabetical list of the names, addresses and telephone numbers of telephone subscribers in a particular geographical area, lacked the required minimum creativity.

In the European Community (as it then was), the originality standard was recognised as varying under national law. Some legal systems (the UK, Republic of Ireland, and Cyprus) seemed to operate a standard that took account of labour, skill and effort;[5] others (such as Germany) couched the standard in terms of personal intellectual creation; and yet others (such as France and the Netherlands) referred to the standard as requiring an 'imprint of personality.'[6] Recognising that these different standards would lead to wide divergences in the existence of copyright in databases, as well as the level of protection such copyright afforded, the European Commission determined to harmonize the originality standard.

> *"Article 3 – Object of protection*
>
> *1. In accordance with this Directive, databases which, by reason of the selection or arrangement of their contents, constitute the author's own intellectual creation shall be protected as such by copyright. No other criteria shall be applied to determine their eligibility for that protection.*

[5] Ladbroke v William Hill (HL) (pools coupons); Football League v Littlewoods [1959] (fixture lists).

[6] Van Dale Lexicografie BV v Rudolf Jan Romme, Hoge Raad, 4 Jan 1991, NJ 1991, 608 (English translation in EJ Dommering and PB Hugenholtz, Protecting Works of Fact (Deventer/Boston 1991, 93 ff) (personal imprint or personal character). The Dutch Supreme Court refused copyright protection to Van Dale for its Dutch dictionary of 230.000 which Mr. Romme uploaded to enable him to solve his crossword puzzles.

2. The copyright protection of databases provided for by this Directive shall not extend to their contents and shall be without prejudice to any rights subsisting in those contents themselves."

This standard reflected that which had already been adopted in relation to computer programs in the Software Directive,[7] and for original photographs in the Term Directive,[8] though rather peculiarly, at no point is the word 'originality' used. The standard also reflected (though was not identical to) the standard that the Berne Convention had embraced for collections or works, such as encyclopaedias,[9] and that TRIPs (1994)[10] and the WIPO Copyright Treaty (1996) had extended to compilations of data.[11] Under these instruments, and under the Directive, selection and arrangement are alternative was to generate a database that is an 'intellectual creation.'

As the international standard in Berne leaves significant flexibility to Members of the Berne Union, it was initially difficult to appraise the harmonizing effect of this provision, or to be clear precisely what standard was adopted. It was widely assumed to be a compromise: for example, German law professor and copyright expert, Thomas Dreier says: "This criterion is intended to be situated between low and high-level prerequisites of protection, not requiring too much creative activity to be shown."[12] [13]

Most Member States have implemented the "author's own intellectual creation" standard into their national legislation,[14] while a small number (Denmark, Finland, the Netherlands and Sweden) left their copyright legislation unaltered (see Table 2). The 'failure' to amend could be justified either on the premise that the national standard was already identical to the harmonized one, or that the courts would interpret it in such a manner because of their willingness to look to the CJEU.

[7] Directive 91/250/EC of 14 May 1991, Art 1(3) (now codified in Directive 2009/24/EC, Art 1(3)).

[8] Directive 93/98/EEC of 29 October 1993, Art 6 (now codified in Directive 2006/116/EC, Art 6).

[9] Berne, Article 2(5) ("Collections of literary or artistic works such as encyclopaedias and anthologies which, by reason of the selection and arrangement of their contents, constitute intellectual creations shall be protected as such…") The French text indicates that selection and arrangement are alternative ways of establishing intellectual creation: either will suffice. See Senftleben, Concise European Copyright Law, 108.

[10] TRIPs, Art 10(2) ("Compilations of data or other material, whether in machine readable or other form, which by reason of the selection or arrangement of their contents constitute intellectual creations shall be protected as such.")

[11] WCT, Art 5 ("Compilations of data or other material, in any form, which by reason of the selection or arrangement of their contents constitute intellectual creations, are protected as such.")

[12] T Dreier, *Concise European Copyright Law,* 15.

[13] A C Beunen*, Protection for databases: the European Database Directive and its effects in the Netherlands, France and the United Kingdom*, (PhD University of Leiden, 2007) (at https://openaccess.leidenuniv.nl/handle/1887/12038), Ch 3, 76.

[14] Croatia (Art 7(1)); Estonia (Art 4(3)(22); Greece, art 2(2a); Ireland, s 17(2)(d), s 2; Italy (databases are protected as to the choice or the disposition of the material constituting an intellectual creation of the author (Art.1, c. 2, l.d.a); UK, CDPA s 3A.

Table 2 Implementation of the "author's own intellectual creation" standard into the national legislation of EU Member States

Country	Explicitly incorporated	Not explicitly incorporated	Notes
AT	x		According to Art 40 (2), Databases (as defined by Article 40 f (1)) "shall be protected by copyright as works of collection if they constitute original intellectual creations (database works) by reason of the selection or arrangement of the material".
BE	x		Code of Economic Law, Art. XI.186. Les bases de données qui, par le choix ou la disposition des matières, constituent une création intellectuelle propre à leur auteur sont protégées comme telle par le droit d'auteur
BG		x	Art 3(1) Any literary, artistic and scientific work resulting from creative endeavour and expressed by any mode and in any tangible form shall be the subject matter of copyright, such as… Art 3(2) Subject matter of copyright may also include (3) periodicals, encyclopaedia, collections, anthologies, bibliographies, databases and other similar subject matter including two or more works or product
HZ	x		Art 7(1) Collections of independent works, data or other materials, such as encyclopaedias, collections of documents, anthologies, databases, and the like, which by reason of the selection or arrangement of their constituent elements constitute personal intellectual creations of their authors shall be protected as such
CY	x		Art 2(b) The database is original if it is a personal intellectual creation of the author and not copy of an already existing work or draft or template work.
CZ	x		Art 2(2) ("a database which by the way of the selection or arrangement of its content is the author's own intellectual creation, and in which the individual parts are arranged in a systematic or methodical way and are individually accessible by electronic or other means, is a collection of works")
DK		x	General standard (derived from idea of authorship and work) (but courts refer to CJEU authority)
EE	x		Art 4(3)(22) (but appears to be same test as Art 4(2) for other works)
FI		x	General standard (derived from idea of authorship and work)
FR	x		Art L112-3 "Il en est de même des auteurs d'anthologies ou de recueils d'oeuvres ou de données diverses, tels que les bases de données, qui, par le choix ou la disposition des matières,

			constituent des créations intellectuelles."
DE	x		Art 4 Collections of works, data or other independent elements which by reason of the selection or arrangement of the elements constitute the author's own intellectual creation (collections) are protected as independent works without prejudice to an existing copyright or related right in one of the individual elements
EL	x		Art 2(2a) Databases which, by reason of the selection or arrangement of their contents, constitute the author's intellectual creation, shall be protected as such by copyright. The copyright protection shall not extend to the contents of databases and shall be without prejudice any rights subsisting in those contents themselves.
HU	x		Art 7(1) A collection shall be under copyright protection if the selection, arrangement or editing of its contents is of individual and original nature (collection of works). The protection shall apply to the collection of works even if its parts or materials do not or may not enjoy copyright protection.
IE	x		Section 2 (1) CRRA defining "original database" as "a database in any form which by reason of the selection or arrangement of its contents constitutes the original intellectual creation of the author"
IT	x		Art 1(1) Also protected are … databases where the choice or the arrangement of the material constitute an intellectual creation of the author
LV	x		Art 5(1)(2) collections of works (encyclopaedias, anthologies, atlases and similar collections of works), as well as databases and other compiled works which, in terms of selection of materials or arrangement, are the result of creative activity
LT	x		Art 4(3)(2) collections of works or compilations of data, databases (in machine readable form or other form), which, by reason of the selection or arrangement of their contents constitute of author's intellectual creations
LU	x		Art 1(2) Sont protégées les bases de données originales dont la structure, par le choix ou la disposition des éléments qu'elles contiennent, constituent une création propre à leur auteur, qu'elles soient accessibles par des moyens électroniques ou par d'autres moyens, à l'exclusion des phonogrammes et des œuvres audiovisuelles
MT	x		Section 3(4) A database shall not be eligible for copyright unless by reason of the selection or arrangement of its contents, it constitutes the author 's intellectual creation.
NL		x	Art 10(3) Collections of works, data or other independent materials arranged in a systematic or methodical way and individually accessible by electronic or other means are protected as separate works, without prejudice to other rights in the collection and without prejudice to copyrights or other rights in the works, data or other materials included in the collection. No special originality standard.

PL	x		Art 3
PT	x		Art 4 of decree Law of July 4, 2000 ("As bases de dados que, pela selecção ou disposição dos respectivos conteúdos, constituam criações intelectuais são protegidas em sede de direito de autor.")
RO	x		Art 8(b) collections of literary, artistic or scientific works, such as encyclopaedias, anthologies and collections and compilations of protected or unprotected material or data, including databases, which, by reason of the selection or arrangement of their subject matter constitute intellectual creations.
SK	x		s. 131 (1) If the method of selection or arrangement of the contents of the database is the result of the creative intellectual activity of the author, the second part of this Copyright Act shall be applicable to such database and its author
SI	x		Art 8 Collections of works or other material, such as encyclopedias, anthologies, databases, document repositories, etc., which are the selection, coordination or arrangement of their contents, are individual intellectual creations, are independent works
ES	x		Art 12(1) las colecciones de obras ajenas, de datos o de otros elementos independientes como las antologías y las bases de datos que por la selección o disposición de sus contenidos constituyan creaciones intelectuales, sin perjuicio, en su caso, de los derechos que pudieran subsistir sobre dichos contenidos.
SE		x	No, but section 5 refers to collections
UK	x		CDPA Section 3A(2) states that 'For the purposes of this Part a literary work consisting of a database is original if, and only if, by reason of the selection or arrangement of the contents of the database the database constitutes the author's own intellectual creation.'

Court of Justice interpretation

Inevitably, the matter of interpreting the standard fell to be elaborated further by the Court of Justice. In *Football Dataco v Yahoo*, Case C-604/10,[15] the issue was whether football fixture lists were protectable by copyright[16].

[15] ECLI:EU:C:2012:115 (2012)

[16] In proceedings in the UK, it was admitted that the fixture lists were databases, but denied that there was copyright, sui generis right or any other copyright in them as literary works. Reviewing the process of creation, Floyd J clearly considered the fixture lists a product of 'very considerable labour and skill': [41]. Nevertheless, the three *Fixtures Marketing* decisions precluded the possibility that such fixture lists might be protected by sui generis right: [92]. What about copyright? First, Floyd J said he thought decisions about selection made before data was created could contribute to intellectual creation: [82]. Second, he suggested there is both a quantitative and qualitative dimension to the originality test: [91]. As to quality, he equated 'intellectual creation' with 'judgment, taste or discretion': [91]. Applying this understanding to the facts, Floyd J found the lists to be protected by copyright. On appeal, the ruling on sui generis right was affirmed, but the question of

In response to the decision, Professor Hugenholtz has remarked that:

> "*Evidently, the Directive's standard of originality as interpreted by the ECJ reflects a continental-European vision of authors' rights, while clearly rejecting British 'skill and labour' based copyright*."[17]

As Article 3 makes clear 'no other criteria may be applied.' The law of the Netherlands had previously allowed for protection of non-original writings – '*geschriftenbescherming*' – and continued to do so, despite the Database Directive.[18] Under this rule, radio and television listings and other non-creative writing (other than computer programs which were excluded when implementing the 1991 Directive) received some sort of "pseudo-copyright" protection as long as they were published or intended for publication.[19] Following the *Football Dataco* decision, in *Ryanair/PR Aviation BV*,[20] the Dutch Hoge Raad held that the provision could not be maintained. The Dutch legislature, which was already considering the issue, swiftly amended the legislation.[21]

2.2 Case-law of Member States

It is difficult to say how far the interpretation by courts in Member states is in line with that of the CJEU in *Football Dataco.* In part, this is because perceptions of creative choice depend on the detailed evidence before the courts, matters that are not readily reflected in law reports.[22] It is also because with only one CJEU decision, there is still very little clarity about the precise nature of the CJEU's test.

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copyright was referred to the CJEU. First, the Court of Appeal thought there was a 'lingering doubt' as to whether protection could be afforded to a database by literary copyright in general: [15]. More importantly, the Court was uncertain as to the relevance of skill, and particularly skill in creating the data.
In Case C-604/10, the Third Chamber confirmed that to qualify as a copyright database, the selection and arrangement referred to must relate to pre-existing data "through which the author of the database gives the database its structure" and does not include creativity in the creation of the data as such [32]. Moreover, and that 'intellectual creation' involved the expression of creative ability through free and creative choices: [38]. Labour and skill were, of themselves, irrelevant: [42]. On the basis of the procedures described by the referring court, the CJEU indicated that the lists would not be protected: [44]. Moreover, the Court indicated that databases could not be afforded copyright on any basis other than that harmonized in the Directive

[17] P.B. Hugenholtz, 'Something Completely Different: Europe's Sui Generis Database Right' in S. Frankel and D. Gervais (eds.), *The Internet and the Emerging Importance of New Forms of Intellectual Property* (Information Law Series, Vol. 37, Kluwer Law International 2016), pp. 205-222, 216.
[18] Dutch Copyright Act 1912, Art 10 (mentioning as protected subject matter 'books, brochures, newspapers, periodicals and *all* other writings.)' For discussion, see A.M. Beunen, 'Geschriftenbescherming: The Dutch Protection for Non-original writings,' in: P.B. Hugenholtz, A.A. Quaedvlieg and D. Visser (eds.), *A Century of Dutch Copyright Law* (1912–2012) (DeLex, 2012) and https://openaccess.leidenuniv.nl/bitstream/handle/1887/20321/BeunenBundel100jrAUTWET.pdf?sequence=1
[19] See Supreme Court 17 April 1953, NJ 1954, 211 (Het Radioprogramma); Supreme Court 27 January 1961, NJ 1962, 355 (Explicator); Supreme Court 25 June 1965, NJ 1966, 116 (Televizier))
[20] Hoge Raad, 17 Jan 2014, ECLI:NL:HR:2014:88, NJ 2015, 304, Ars Aequi AA20140847 (*Ryanair v. PR Aviation*) (stating that the Database Directive does not allow copyright protection for databases under lower standards than the author's own intellectual creation.)
[21] P.B. Hugenholtz, 'Goodbye, Geschriftenbescherming!', Kluwer Copyright Blog, March 6, 2013, at http://copyrightblog.kluweriplaw.com/2013/03/06/goodbye-geschriftenbescherming/ (reporting on the Bill that would delete the word 'all' from article 10 of the Dutch Copyright Act and thereby eliminate the right).
[22] Karnell, 'European Originality A Copyright Chimera,' 42 Scand Stud in Law 73 (suggesting it would be impossible

Certainly, some national courts do not use precisely the same terms as the CJEU. In the Netherlands according to the Dutch Supreme Court, the work must have an "own, individual character" and "bear the personal stamp of the author", in order to fulfil the originality threshold. [4] Commentators acknowledge that some uncertainty still surrounds whether this approach is the same as that in *Football Dataco*. For example, Hugenholtz notes:

> "*Courts in author's rights countries often combine a test of originality (creativity) with an additional requirement of 'personal character' or 'personal imprint.' Whether this standard is on a par with Football Dataco and others remains to be seen*."[23]

Similarly, there is some evidence that some Member States apply the so-called 'statistical uniqueness' standard – that have not – or not, as yet- been embraced by the CJEU.[24]

The question of whether different courts in Member States apply the standard established by the CJEU in *Football Dataco* is one that could only really be answered (if at all) by proper academic standard comparative legal methodology that would take full account of the many influences on the final decision made in each case (including matters of procedure and evidence, as well as the precise reasoning of the courts. Using the kind of survey techniques available for this study, much is (literally and metaphorically) lost in translation. However, for what it is worth – and the European harmonization project is focussed on results – in Table 3 we set out examples of what in different jurisdictions have been treated as passing or failing to reach the threshold.

Table 3 Examples that have passed or failed to reach the threshold

	Authors Own Intellectual Creation	**Failed Threshold**
FR	Database of addresses of websites just for children[25]	An "inventory and compilation", which was made to elaborate a screenplay for Niepce.[26]
DE	a collection of the 1100 most important poems from 1790 to 1900 in Germany.[27]	A telephone directory (Deutsche Telecom).[28]
		inventory of professional companies classified into activities[29]
ES		a database of companies arranged in alphabetical order or by regions[30]

[23] P.B. Hugenholtz, *Concise European Copyright Law*, 392.
[24] E.g. Greece (see Court of First Instance, Athens, Decision No. 5810/2005).
[25] Cass. civ. I, 13 May 2014, R.I.D.A. 2015, no. 244.
[26] Cass. civ. I, 5 Oct. 1994, R.I.D.A. 1995, no. 163, 205.
[27] BGH, 13 August 2009 - I ZR 130/04.
[28] Bundsgerichtshof, 6 May 1999, case I ZR 199/96, *Multimedia und Recht* 1999, 470.
[29] LG Düsseldorf, 7 February 2001, in: NautaDutilh study, reported above, p. 74.
[30] Judgement No. 886/1997 of 17 Oct 1997 (Ar. 1997\7468).

2.3 Uncertainty

Our investigations reveal two important findings with respect to the originality standard. The first is that the issue of originality is a significant source of uncertainty in copyright litigation, and indeed the use of copyright to protect databases. Of the respondents to this question, 'How important are the following barriers to the (IP) protection of your databases?', almost half stated that determining whether databases is protected by copyright is an important barrier. The parallel question was put to users. Here, around 70% of respondents thought it was important.

Although the numbers are small, of those makers who perceived the threshold as giving rise to a barrier, 72% blamed the terms of the Directive, whereas half blamed the case-law. It seems inevitable that a harmonizing Directive would introduce uncertainty, and certainly the standard would understandably be perceived by respondents from common law countries as introducing uncertainty as to protectibility. It might be regarded as mildly reassuring that fewer stakeholder respondents who addressed the issue blamed the case-law than the legislation.

For those stakeholders who had been involved in legal disputes or proceedings relating to copyright in databases, the question of whether the database benefited from protection was almost always in contention. In response to the question "Have you been involved in disputes or legal proceedings in relation to copyright? What are the main issues?" all but one for which copyright was in dispute, said whether the work was protected was an issue. The legal experts confirmed the importance of the issue, too. Almost 70% of experts involved in copyright proceedings report the issue was 'whether databases benefitted from protection.' The legal experts confirmed the importance of the issue, too. The same share reports the issue was whether databases benefitted from protection.

Moreover, in the in-depth interview with a legal expert from Portugal, we were told that there are **"**about 9 cases" – all on copyright in databases – "only two issues ... have been analysed", one of which is the originality/creativity standard.

2.4 Conclusion

Professor Hugenholtz has recently written that

> *"Twenty years after the adoption of the Directive one can conclude that the first goal of the Directive – approximation of national laws – has largely been met. Databases produced in the EU are now either protected by copyright as 'intellectual creations' reflecting creative choices, or by sui generis right inasmuch as they result from 'substantial investment', or both. Member States that initially tried to preserve traditional doctrines that are pre-empted by the Directive, such as the United Kingdom's 'skill and labour' copyright, the Nordic catalogue rule or Dutch geschriftenbescherming (copyright protection for non-original writings),*

are now gradually – and grudgingly – abandoning these primordial regimes."[31]

Our investigations support this conclusion, with some experts suggesting that harmonization of the originality standard is a major contribution of the 1996 Directive.[32] That said, we acknowledge that it is difficult to ascertain how far the courts of Member states are really at one on this matter we suspect that some tendencies to continue to apply traditional standards are likely to continue to exist. Certainly, there is evidence of uncertainty in application of the standard.

It is not obvious what could be done to reduce certainty and improve harmonization in this respect. One possibility, which we moot later, is to improve the level of coherence between various aspects of copyright law. There is not likely to be a great deal of litigation that makes its way to the CJEU, and understanding could be improved – and speeded – by bringing the copyright acquis together, so that guidance given on one part of the acquis can confidently be applied in respect of other aspects. In particular, improvements in understanding of originality of databases would be speeded if it were clear that the Court's jurisprudence on originality in the context of the Information Society and Term Directives is equally applicable to databases.

[31] P.B. Hugenholtz, 'Something Completely Different: Europe's Sui Generis Database Right Book Chapter' in S. Frankel and D. Gervais (eds.), The Internet and the Emerging Importance of New Forms of Intellectual Property, (Information Law Series, Vol. 37, Kluwer Law International 2016) Chapter 9, pp. 205-222.

[32] In depth interview, Italian expert.

3 Copyright in Database Independent of Contents

Article 3(2) clarifies two matters. First, copyright protection of databases provided for by this Directive shall not extend to their contents, that is, the protection is of the selection and arrangement, and does not also protect the contents. Second, Article 3(2) clarifies that protection shall be without prejudice to any rights subsisting in those contents themselves. If the contents of a database comprise works (such as a collection of poems) or subject matter of related rights, those individual contents may also be protected. Creating a copyright protected database in no way extinguishes or limits rights, of whatever sort, that exist in the contents themselves. Therefore, the permission of the database copyright owner to access the database does not ipso facto confer permission on behalf of the owner of copyright or other rights in materials contained in the database to use such materials.[33] Neither of these two clarifications is especially controversial and both parallel the manner in which authors rights and related rights interact.[34]

3.1 Implementation

There has been widespread implementation of the principle embodied in Article 3(2), but even where not expressly implemented, the principle embodied is commonly adhered to. The only problem raised in relation to this concerned Austria, where concern exists that article 36 of the Austrian Copyright Act might appear to affect the rights on the contents of a database.

3.2 Conclusion

No problems seem to have arisen in this context.

[33] Recital 26, 27.

[34] There is express implementation in Belgium (Art XI.186);

4 Exceptions to restricted acts

4.1 The law

Article 6(2) of the Directive, which one Commission official described as a product of much "horse-trading" in the Council Working Party,[35] "leaves Member States broad discretion to provide for exceptions to the economic rights granted under art. 5."[36] That freedom is constrained in six respects:

i. first, Member States must provide the exception in Article 6(1);
ii. second, though it is not mentioned explicitly, Member States must provide for a quotation right in accordance with Article 10(1) Berne Convention;
iii. third, they may only provide an exception relating to reproduction for private purposes in relation to a "non-electronic database";
iv. fourth, in respect of teaching and research, the conditions of any exception are specified;
v. fifth, other exceptions may only be provided if they are ones which are "traditionally authorized" under national law;
vi. sixth, there is a restriction on the interpretation of Article 6 that is derived from the so-called 'three step tests.'

4.2 Article 6(1): Acts necessary to access a database and for its normal use.

Just as Article 5 of the Software Directive had recognised that a person who acquired a computer program might inevitably carry out restricted acts simply by running the program, so the Commission saw that a user of a database, particularly in electronic form, might of necessity make temporary copies of a database merely in order to access it. Therefore, the Commission proposed a parallel provision exempting from liability such acts.[37] As adopted, this reads:

> "*1. The performance by the lawful user of a database or of a copy thereof of any of the acts listed in Article 5 which is necessary for the purposes of access to the contents of the databases and normal use of the contents by the lawful user shall not require the authorization of the author of the database. Where the lawful user is authorized to use only part of the database, this provision shall apply only to that part*."

The exception cannot be overridden by contract. Article 15 of the Directive states that any contractual provision contrary to Article 6(1) shall be 'null and void.' According to Professor Davison this is "difficult to interpret and its meaning is obscure."[38] Commentators have identified a number of issues surrounding Article 6(1).

The first relates to the beneficiary, namely the 'lawful user.' In linguistic terms, this was distinct from the language of the Software Directive, which had used the concept of 'lawful acquirer'. Commentators indicate uncertainty as to precisely

[35] Jens.-L. Gaster, 'The New EU Directive Concerning the Legal Protection of Databases,' (1998) 3 Int'l Intell. Prop. L. & Pol'y 13-1, 13-8.
[36] Hugenholtz, *Concise*, 399.
[37] Explanatory Memorandum, 47.
[38] Davison, 77.

who counts as a 'lawful user' of a database and how, if at all, the concept differs from that of a 'lawful acquirer'. Both terms, in fact, appear in the Commission's initial proposal (as well as the amended proposal), where the term 'lawful user' appears in the context of discussion of rights of a licensee (Article 6(1), and 'lawful acquirer' in the context of uses where the contract does not regulate a particular use or no contract exists.[39] The Council merged these two paragraphs, but used the single term 'lawful user'.[40] There is no reason to believe that the Council intended the choice of this term to limit the beneficiaries of the exception. Therefore, whether there was meant to be any distinction between these concepts may be regarded as doubtful.[41]

Some commentators cite recital 34 as indicating a narrow conception of lawful user. It provides:

> *"…once the rightholder has chosen to make available a copy of the database to a user, whether by an on-line service or by other means of distribution, that lawful user must be able to access and use the database for the purposes and in the way set out in the agreement with the rightholder, even if such access and use necessitate performance of otherwise restricted acts."*[42]

The reference to 'agreement' is read as suggesting that the lawful user must be a licensee. But the proposal and amended proposal had contained a further recital dealing with situations where there was no agreement,[43] and these were deleted in Council when the two articles were merged. It would be dangerous therefore to read too much into recital 34.

In the context of the Software Directive, the term 'lawful acquirer' covers a purchaser of a work, a subsequent recipient (such as a second-hand purchaser or borrower), and a licensee.[44] In UsedSoft GmbH v. Oracle International Corp.,[45] the Court of Justice held that a transferee of software from an original purchaser is a 'lawful acquirer' (even though a licence term affecting the original purchaser purported to prevent such transfer).[46] This is so even in the case of sale of software in intangible form and even after it has been subsequently patched or updated.[47] The preferable interpretation is that the notion of lawful user at least extends as far as this.

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[39] Proposed Directive, Article 6(2). Explanatory Memorandum, 47.

[40] Statement of Reasons ('The Council has merged the content of paragraphs 1 and 2 of the Commission proposal into a single paragraph (paragraph 1).')

[41] W. Blocher, 'Computer Program Directive', in Walter and von Lewinski, [5.5.39]; T.-E. Synodinou, 'The Lawful User and a Balancing of Interests in European Copyright Law' (2010) 41(7) IIC 819, 824.

[42] Directive 96/9/EC, rec. 34

[43] Proposal, recital 25; Amended Proposal, recital 25.

[44] The Commission has said that 'lawful acquirer' meant a 'purchaser, licensee, renter or a person authorized to use the program on behalf of the above': Report on the Implementation and Effects of Directive 91/250/EEC (April 2000) COM(2000) 199 final, 12. See also B. Czarnota and R. Hart, Legal Protection of Computer Programs in Europe: A Guide to the EC Directive (1991), 64; Blocher, op. cit., [5.5.11], [5.5.16].

[45] Case C-128/11 [2012] 3 CMLR (44) 1039.

[46] Ibid., [75], [80], [81], [82].

[47] Ibid., [85].

Even so, what remains especially unclear is whether the term 'lawful user' covers anyone who has access to a database and uses it 'lawfully'? Does that include someone who accesses a database in order to invoke an exception under Article 6(2)? Such a possibility would arise were a lawful user to be understood as any person who makes a "lawful use". Recital 33 of the 2001 Information Society Directive states that "a use should be considered lawful where it is authorised by the rightholder or not restricted by the law." It is notable, too, that recital 33 relates to a parallel provision, Article 5(1) of the Directive, which like Article 6(1) of the Database Directive is mandatory and designed to exempt certain uses that are necessary for lawful use. Davison says it seem unlikely that such a broad exception was intended,[48] but Professor Hugenholtz admits "it can be argued that a person or entity invoking a copyright exception is a lawful user and can therefore benefit from art 6(1)."[49]

Second, the exception covers two acts: (i) those necessary for the purposes of access to the contents of the databases and (ii) those for 'normal use' of the contents. Given the aim is to provide a user right, 'necessity' presumably means 'reasonably necessary' for a normal user, rather than 'absolutely'.[50] One commentator suggests that "normal" use can be determined by reference to the licensing agreement, though in the absence of any such agreement one should be guided by "the typical way of using a certain kind of database."[51] The acts necessary for access and normal use probably overlap considerably, but in general would be expected to include loading, browsing, searching, downloading and printing out search results (though such results will often not comprise a 'part' of a creative database, because they will not reproduce the intellectual creation).

Third, Article 15 provides that contracts that purport to restrict the right are to be treated as null and void. Presumably, they are only null and void insofar as they restrict the user's rights in the copyright database (so that restrictions for example on the use of the contents themselves are unaffected). The precise effect of nullity of such a clause on the rest of the contract remains a matter for national law.

4.3 Interpretation by the CJEU

In Case C-203/02, *British Horseracing Board*, [58], in the context of a discussion of sui generis right, the Court of Justice equated the lawful user

> *"a lawful user of a database, in other words, a user whose access to the contents of a database for the purpose of consultation results from the direct or indirect consent of the maker of the database"*

Whether the Court of Justice had in mind the full range of arguments over who counts as a lawful user may be doubted, as there was a subscriber to two electronic data feeds from the claimants.

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[48] Davison, 78.

[49] Hugenholtz, Concise, 399.

[50] Bently/ Yin Harn Lee, in *Concise European Copyright Law*, 258 (discussing term necessary in Art 5(1) of the Software Directive). Cf von Lewinski, ECL, 728, [9.6.11] (suggesting that access or normal use must be otherwise 'impossible' for the carrying out of the restricted act to be permitted).

[51] Von Lewinski, 729, [9.6.12].

4.3.1 Implementation in Member States

Implementation may be considered from three perspectives (i) the scope4 of the exception; (ii) to whom it is applicable; and (iii) the recognition that the right cannot be subject to contractual variation.

With respect to the scope of the exception, the Naura Dutilh study reported that

> *"Unlike Denmark, Finland and Sweden have failed to implement Article 6.1 Directive. Yet this failure may not excessively harm lawful users as the exclusive rights offered by*
>
> *those two countries are not as far-reaching as under the Directive. France has only transposed the wording 'necessary for the purposes of access to the contents', but not 'and normal use of the contents', thereby giving the lawful use exception a narrower scope than under Article 6.1 Directive. The adjective 'normal', in relation to use of the contents, does not appear in Austria (stating 'in accordance with the intended purpose'), Ireland, Portugal and the United Kingdom. Nor does the adjective 'necessary', in relation to the purposes, in Portugal. Finally, in Germany a lawful user could perform acts for the benefit of a third party, contrary to the Directive."*

Our review indicates that Denmark, Sweden and Finland do now implement Article 6(1).[52] However, a number of countries:

i. Refer to "intended purpose" rather than "normal use" (Austria, Sweden; Hungary)
ii. Refer to "use" rather than "normal" use (Ireland, Latvia, Portugal, the United Kingdom.)

Moreover, France limits permitted uses to that "prévue par contrat." A list of implementations of the exceptions to restricted acts in the EU Member States is given in Table 4.

Table 4 Implementation of the exceptions to restricted acts in the EU Member States

	Coverage	Lawful User	Contractual Override?
Austria	ACA, Art 40 h (3), ("If they are necessary for access to the contents of the database or its part or for their intended use.") "wenn sie für den Zugang zum Inhalt des Datenbankwerks oder des Teiles derselben oder für deren bestimmungsgemäße Benutzung notwendig sind."	Authorized person ("Die zur Benutzung eines Datenbankwerks oder eines Teiles desselben berechtigte Person")	ACA, Art 40 h (3), "Auf dieses Recht kann wirksam nicht verzichtet werden; dies schließt Vereinbarungen über den Umfang der bestimmungsgemäßen Benutzung nicht aus."

[52] Denmark, Art 36(2) and (3); Sweden, Art 26g; Finland, Art 25j.

Belgium	Art. XI.188. les actes ... qui sont nécessaires à l'accès au contenu de la base de données et à son utilisation normale par lui-même ...	Art. XI.188. L'utilisateur légitime d'une base de données ou de copies de celle-ci Lawful user is defined as "une personne qui effectue des actes autorisés par l'auteur ou admis par la loi": Art I.16, para 2 [53]	Art. XI.188 Les dispositions des alinéas 1er et 2 sont impératives
Bulgaria	Art. 93f "when this is necessary to access the contents of the database and for its normal use.	Art. 93f The person who has lawfully acquired the right to use a database or copy of	Art 93d(5) Any agreement contradicting to the provisions of para 1, 2, 3 and 4 shall be invalid
Croatia	*Art 97* "all acts of using, if this is necessary for the access to the content of the database and its normal use"	Art 97 "lawful users"	Art 97(3) ("Any contractual provision contrary to the provisions of paragraphs (1) and (2) of this Article shall be null and void")
Cyprus	Art 7C(2)(i) "any of the acts, listed in paragraph (a), which are considered necessary for the access to the content of the database and the regular use of it"	Lawful user	Art. 7(2)(b)(iii) (Agreement, which is opposed to the provisions of the current Law, is invalid.)
Czech Republic	Art 36 ("Copyright to a collection of works shall not be infringed by the legitimate user of the collection of works if he uses such work for the purposes of accessing its content and for the normal exploitation of its content."	Legitimate user	Czech Republic does not expressly implement Article 15, but it is understood that contracts that restrict the freedom conferred by Article 6(1) of the Directive are invalid.
Denmark	Art 36(2) "may perform such actions which are necessary for the person to obtain access to the contents of the database and make normal use of it."	Art 36(2) The person who has the right to use a database.	*Article 36 (3)* (3) The provisions of subsection (1)(ii) and (iii) and of subsection (2) may not be deviated from by agreement
Estonia	Art 25^1 "to perform any acts which are necessary for the purposes of access to the contents of the database and normal use of its contents.	The lawful user of a database or of a copy thereof is entitled	Any contractual provisions which prejudice the exercise of the right are void.

[53] Code of Economic Law, Art I.16, para 2 (formerly, Article 20 quarter of the Belgian Copyright Act).

Finland	Art 29j(4) "make copies of it and perform all other acts necessary for accessing the database and for normal use of its contents."	Art 29j(4) "Whoever has a right to use a database ..	Art 29j(4) Any contractual provision limiting use in accordance with subsections 2–4 shall be without effect.
France	Art L 122-5(5) Les actes nécessaires à l'accès au contenu d'une base de données électronique pour les besoins et dans les limites de l'utilisation prévue par contrat		
Germany	Art 55a The adaptation or reproduction of a database work shall be permissible … insofar as the adaptation or reproduction is necessary to gain access to the elements of the database work and for its customary use.	Art 55a "the owner of a copy of the database work which was brought to the market by sale with the consent of the author, that person who is otherwise authorised to use the database work or that person who is given access to the database work on the basis of a contract concluded with the author or with his consent with a third party"	Art 55a Any contractual agreements to the contrary shall be null and void
Greece	Art 3930: "necessary for the purposes of access to the contents of the databases and normal use of the contents by the lawful user	The performance by the lawful user of a database or of a copy thereof of any of the acts listed above which is	Any agreement contrary to the provisions of the previous two sentences shall be null and void ((Paragraph 3 is added by article 7 par. 3 of Law 2819/2000.)
Hungary	Art 62(1) The performance of acts necessary to get access to the contents of the database rated as a collection of works and to use the contents thereof in accordance with the intended purpose shall not be subject to the author's authorization	by a person authorized to use the database	(4) The stipulations of a contract on use contrary to the provisions set out in (1) and (2) shall be null and void.
Ireland	*Section 83:* It is not an infringement...to undertake, in the exercise of that right, anything which is necessary for the purposes of access to or use of the contents of the database or part thereof.	for a person who has the right to use the database or any part thereof, whether under a licence to undertake any of the acts restricted by the copyright in the original database or	Not specified

		otherwise	
Italy	Falce: Article 64*sexies*(2) allows a lawful user to make such uses of a database as are necessary to access and normally to use its contents ("necessarie per l'accesso al contenuto della stessa banca di dati e per il suo normale impiego")		Art 64sexies(3) ("Le clausole contrattuali pattuite in violazione del comma 2 sono nulle ai sensi dell'articolo 1418 del codice civile")
Latvia	Art 31(1)) "any action, which is necessary in order to access the contents of the databases and its use")	Lawful user	Art 31(2) Agreements, which are contrary to the provisions of this Section, shall not be in effect.
Lithuania	Art 32(1) "such acts are necessary for the purposes of access to, and an appropriate use of the contents of the database by the legitimate user of the database"	Lawful user	Art 32(3)
Luxembourg	Art 10(12): "les actes…qui sont nécessaires pour accéder au contenu et pour l'utilisation normale de tout ou partie de celle-ci"	"l'utilisateur légitime"	
Malta	Section 9(1)(w) "those acts which are normally necessary in order that the licensed user obtains access to the contents of the database and normal use thereof)	Section 9(1)(w) "licensed user"	Section 9(1)(w) "any contractual provisions running counter to what is prescribed in this paragraph shall be null and void.")
Netherlands	Article 24a (reproduction which is necessary in order to obtain access and to make a normal use of the collection)	Lawful user	Art 24a(3) ("No agreement may derogate from the provisions of the first and second subsections to the detriment of the lawful user")
Poland	Art 17(1) "The adaptation or reproduction of the database …if … necessary for the access to the database and the normal exploitation of its contents."	"made by a lawful user of the database or a copy thereof"	
Portugal	Portugal, Art 9(2) "com vista ao acesso à base de dados e à sua utilização"	"utente legítimo"	Art 9(2) ("É nula a convenção em contrário ao disposto no número anterior")

Romania	Art 122_3 (5) any act of reproduction, distribution, communication to the public or transformation, necessary for the normal utilization and for the access to the database or to a part of it.	Legitimate user	No
Slovakia	s. 134 for the purposes of access to the contents of the database or for the purposes of the normal use of the contents by the lawful user.	Lawful user	No
Slovenia	Art 53a "freely reproduce or alter this database, if this is necessary for access to its contents and the normal use of this content."	Lawful user	(2) Contractual clauses which are contrary to this Article shall be null and void
Spain	Art 34 "todos los actos que sean necesarios para el acceso al contenido de la base de datos ya su normal utilización por el propio usuario, aunque estén afectados por cual quier derecho exclusivo de ese autor"	Lawful user: "El usuario legítimo de una base de datos protegida en virtud del artículo 12 de esta Ley o de copias de la misma, podrá efectuar, sin la autorización del autor de la base"	Art 34
Sweden	Art 26g(4) ("any way that is necessary in order for him to be able to use the compilation for its intended purpose.") "Den som har rätt att använda en sammanställning får förfoga över den på det sätt som är nödvändigt för att han skall kunna använda sammanställningen för dess avsedda ändamål."	Anyone who has a right to use a compilation	26g(5) "Contractual stipulations which limit the right of the user under the second, fourth or fifth paragraphs are null and void. *(Act 1997:790).*
United Kingdom	50D.—(1) " in the exercise of that right, anything which is necessary for the purposes of access to and use of the contents of the database or of that part of the database."	a person who has a right to use the database or any part of the database, (whether under a licence to do any of the acts restricted by the copyright in the database or otherwise)	S 50D(2) " it is irrelevant whether or not there exists any term or condition in any agreement which purports to prohibit or restrict the act (such terms being, by virtue of section 296B, void). S 296B. Where under an agreement a person has a right to use a database or part of a database, any term or condition in the

			agreement shall be void in so far as it purports to prohibit or restrict the performance of any act which would but for section 50D infringe the copyright in the database."

Second, most countries refer to "lawful user" but offer no further elaboration. However, Malta and France seem to operate with a very narrow conception, referring to the licensed user or the existence of a contract. Austria and Hungary also refer to an "authorised person." In contrast, a number of countries take a broader view. Germany confers the right on:

> *"the owner of a copy of the database work which was brought to the market by sale with the consent of the author, that person who is otherwise authorised to use the database work or that person who is given access to the database work on the basis of a contract concluded with the author or with his consent with a third party*".

Denmark, Finland and Sweden refer to any person having a "right to use" a database, not restricting how that right comes about. The UK and Ireland refer to anyone with a right to use the database "under licence or otherwise" leaving the possibility that they might rely on an exception. Belgium is more explicit, as anyone who performs the acts authorised by the author or by law. [54]

The matter has attracted attention in Italy. The expert wrote:

> "*The lawful user is considered as anyone who has acquired from the right holder a database whose initial release or reproduction took place on the initiative or with the consent of the author, but with the imposition of subjective or territorial constraints to alienation. In this respect issues usually arise not for who has obtained the work directly from the right holder (provided that the contract defines the legitimate use) but for whomever has acquired the work from third subjects. Firstly, the rights of said third party may not be determined with certainty. Secondly, the conditions of legitimate use agreed to by the right-holder would not bind third parties. The Court of Bologna further specified, with decision 9 February 2009, the legitimate use concept clarifying that this cannot refer to instances in which the extraction was made for the purpose of a new database to be placed on the market*."

Third, most countries provide expressly that the freedom reserved by Article 6(1) cannot be overridden by contract. As far as we can tell nothing is expressly stated in the law are: France, Ireland, Luxembourg, Poland, Romania, Slovenia and the Czech Republic. Our expert explained that while the Czech Republic does not expressly implement Article 15, it is understood that contracts that restrict the freedom conferred by Article 6(1) of the Directive are invalid. How far other countries would apply the same approach is unclear. It is also worth noting that

[54] Nauta Dutilh 373.

Austrian law qualifies the rule in Article 15(1) of the Directive, indicating it should be without prejudice to the validity of "agreements concerning the extent of use in accordance with the intended purpose".

5 Other Exceptions

Member States are obliged to provide a quotation right, though this is not explicitly stated in Article 6. Rather, the obligation derives from Article 10 of the Berne Convention, and its application to databases is made clear by recital. [55] Some commentators have raised doubts about this. [56] However, it is not hard to imagine quotation of a creative database. Consider, for example, the display on the wall of a building of a selection of statements from politicians. The selection – and arrangement – of the statements involved creativity, so that there is a copyright-protected, non-electronic, database. A person who wishes to discuss that choice of statements, perhaps to highlight bias of one sort of another, may wish to illustrate the appraisal with an image of the wall. Including a photograph in the discussion would clearly fall within the broad notion of "quotation". Rather than being a mistake, the inclusion of recital 37 in fact is better seen as an acknowledgment of the significant status of the quotation right in international copyright law.

Most Member States incorporate database protection in their regular rules on copyright, and thus apply (most of the exceptions) applicable to copyright to copyright-protected databases.[57] This includes quotation rights. In countries that treat copyright in databases in a special part of the law, the position varies: some such as Slovakia specifically apply copyright exceptions to database copyright,[58] while Portuguese Decree did likewise ("wherever they appear compatible").[59] In Italy the relationship is not expressly specified, though it must be the case that the generally applicable exceptional also applied to copyright-protected databases.[60]

5.1 Reproduction for Private Purposes

The Directive permits Member States to permit "reproduction for private purposes of a non-electronic database." The effect of this is to preclude exception in relation to electronic databases (except, presumably, in so far as such private use is permitted under the mandatory exception in Article 6(1). A Council Statement sought to justify the distinction by reference to the ease of reproduction.[61]

The Directive does not define "private purposes", though recital 35 purports to enunciate a distinction between "exceptions for private use" and "exceptions for reproduction for private purposes, which concerns provisions under national legislation of some Member States on levies on blank media or recording

[55] Recital 37.

[56] Apparently, a Commission official closely involved in formulating the Directive, Jens Gaster, has suggested the inclusion of recital 37 was a mistake, because one cannot quote a database. See von Lewinski, 736, n 199.

[57] The Belgian Code of Economic Law identifies when exceptions apply to databases: Art XI.191, and section 5 (applying certain exceptions in Art XI.190 to databases).

[58] Slovakia, Art 134 refers to Articles 34-57 (excluding art 42 on copies for private use).

[59] Decree Law, Art 10(1)(d).

[60] Cyprus, Art 7C(2)(a) Greece, Art 3(3); Italy, Art 64-quinquies(1); Latvia, Art 15 (3); Portugal, Art 7 Decree Law; Slovakia, Art 133.

[61] 'The Council …. considered that no exception should be allowed for reproduction for private purposes of electronic databases, in particular in view of the ease with which they can be reproduced, but accepted the possibility of such exceptions for non-electronic databases.'

equipment." It seems that member states might permit various uses of databases, but they are not permitted to allow the making of permanent copies on recording media (the sort of acts that attract levy schemes). Reproduction for private purposes could be permitted in relation to non-electronic databases.

Although the distinction in treatment of electronic and non-electronic databases has a superficial appeal, on reflection the distinction seems arbitrary. Indeed, it raises the question what is meant by an "electronic" database. Imagine an author produces a collection of poems (reflecting their original selection), and this is published in both an online and analogue version. Under Article 6(2)(b), a Member State is permitted to allow e.g. photocopying (or, presumably, the creation of electronic scans) for private purposes of the non-electronic version. But what if someone wants to photocopy a print out from the electronic version? That is presumably not permissible. And what if the publisher created the collection electronically, but then issued a copy in non-electronic form: can it argue that photocopying the collection is indirectly reproducing the non-electronic database, so that the copying falls outside what is permitted under Article 6(2)(b)?

5.1.1 Implementation

Most Member States have adhered religiously to the limitation in Article 6(2)(b). However, the United Kingdom applies its narrower "fair dealing with a... work for the purposes of private study" to all works, apparently including electronic databases.[62]

The most common way of implementing Article 6(2)(a) is by a carve out from a generally applicable private copying exception so as to display the exception in the case of "electronic databases".[63] However, some laws specifically posit that the exclusive right covers private use of an electronic database,[64] or that the exception covers a "non-electronic database".[65]

Yet other countries couch the qualification in different terminology: Danish and Swedish law excludes from private copying exception "copies in digital form of databases if the copy is made on the basis of a reproduction of the database in digital form,"[66] Finland "computer-readable database,"[67] and Germany "to

[62] United Kingdom, CDPA Section 29(1)(c) (presumably on the basis of Article 6(2)(b)).

[63] Croatia, Art 82 (carve out for electronic databases); Estonia: Art 18(2)(3) (excluding electronic databases from reproduction for purposes of personal use exception); Greece, Art. 3(4) (added by Art. 81 of Law No. 3057 of Oct. 10, 2002) ("Reproduction of electronic database for private use is not permitted"); Hungary, Art 35; Lithuania, Art 20(3)(3); Slovakia, art 134(2) applying Art 42 on private use only to a "database which was not created in electronic form"; Slovenia, Art 50(4) (Reproduction of the preceding paragraphs of this Article is not permitted for … electronic databases); Spain, art 31(2)-(3) (Electronic databases excluded).

[64] Czech Republic, art 30(3): Unless otherwise stipulated herein, use under this Act shall also cover the cases where a computer program or an electronic database is used to serve a natural person to meet his personal needs or a legal person or sole trader for their own internal use, including the making of reproductions of such works for such needs and uses

[65] Ireland, Section 50(1) "Fair dealing with a literary, dramatic, musical or artistic work, sound recording, film, broadcast, cable programme, or non-electronic original database, for the purposes of research or private study, shall not infringe any copyright in the work"

[66] Denmark, Art 12(2)(iv); Sweden, Article 12 does not apply to "make copies in digital form of compilations (*sammanställningar*) in digital form."

[67] Finland, Art 12(4) (excluding computer-readable database from reproduction for private use exception)

database works the elements of which are individually accessible by electronic means."[68]

One effect, is that the creators of collections must be excluded from levy schemes. It might be asked whether these authors share the Council's views of the dangers of reproduction of electronic databases or would in fact rather participate in the remuneration schemes.

5.2 Illustration for Teaching and Scientific Research

Article 6(2)(b) permits Member States to operate exceptions for teaching and scientific research. The wording of Article is, on its face, significantly narrower than that of Art 10(1)(d) of the Rental Rights Directive, which had permitted "use solely for the purposes of teaching or scientific research." More specifically Article 6(2)(b) permits use "for the sole purpose of illustration for teaching or scientific research." It is not clear whether the two purposes are "illustration for teaching" and "scientific research" or "illustration for teaching" and "illustration for scientific research." As the language "illustration for teaching" comes from the Berne Convention, there seems no reason to add the qualification to the research exception. On the other hand, this could have been made clear by adding the word "of" before "scientific research." The exception for 'scientific research' Recital 36 clarifies that scientific research is not limited to the hard (STEM) sciences, when it states that scientific research covers the 'human sciences.'

Both the teaching and research exceptions are subject to two conditions. First, "the source" must be indicated. Second the use must be "to the extent justified by the non-commercial purpose to be achieved." The restriction in application of any exemption to non-commercial research is significant. Oddly, a third condition in Article 10(2) – compatibility with fair practice – is omitted. As Article 10(3) refers to mention of the source "and of the authors name if it appears thereon", the latter obligation ought at least to be regarded as relevant to the teaching exemption.[69]

Some concern has been expressed at the narrowness of the exception, in particular through the references to 'illustration' and 'teaching' (rather than, for example, learning).[70] Indeed, some Member States believed this required them to narrow existing teaching exemptions by adding the condition that the exception – in the context of databases – was limited to illustrative uses.[71] The language in fact reflects the terms of Article 10(2) of the Berne Convention, where the permitted exception is "by way of illustration in publications, broadcasts or sound or visual recordings for teaching".[72] Immediately, it can be seen that the scope is much broader than offering examples 'in class'. Moreover, the legislative history of Article 10(2) of Berne supports a broad interpretation,

[68] Germany. Art 53(5) "Subsection (1), (2), first sentence, numbers 2 to 4, as well as subsection (3), number 2, shall not apply to database works the elements of which are individually accessible by electronic means."

[69] Cp. InfoSoc Dir, Art 5(3)(a) (requiring mention of the author's name, unless this turns out to be impossible.)

[70] Davison, 79.

[71] Belgium.

[72] Emphasis added.

so that the terms should be read to mean 'any reasonable use for the purpose of education or teaching'. [73]

This broad interpretation is reflected in the implementation of educational exceptions in many Member States and their application equally to databases.[74] However, as noted, some make specific provision in relation to copyright-protected databases of exceptions for teaching and research that map closely the Directive: Article 64 sexies(a) of the Italian law, or Article 19(2) of the Estonian law might be good examples.[75] The effect is at the very least to make life complicated: the Lithuanian law, for example, having exemptions for teaching and research uses generally in Article 22, and later specifically for copyright in Art 32(4). In Italy, the special provision has created uncertainty. The Italian expert explained:

> "*Moreover, in Article 64 sexies of ICL the legislator has introduced a specific list of exceptions that concern database rights, different from those provided for authorship works in general. This distinction has created doubts as to the exceptions that apply to databases. On the one hand, some have argued that databases are only subject to exceptions specifically indicated for in Article 64 sexies, such as those provided for scientific and educational purposes, or for public security. Others, instead, consider that databases should be subject also to the exceptions provided under general copyright law*."

5.3 Use for the purposes of public security of for the purposes of an administrative or judicial procedure

Article 6(2)(c) permits Member States to operate exceptions "for the purposes of public security of or for the purposes of an administrative or judicial procedure." This exception is relatively uncontroversial and considerable flexibility in its interpretation and application will likely be afforded to Member States.[76]

5.3.1 Implementation

As with the teaching and research exception, most countries operate exceptions for purposes of security, judicial and governmental proceedings. As indicated, most simply apply the general copyright law,[77] while some closely follow the

[73] See R. Xalabarder, Study on Copyright Limitations and Exceptions for Educational Activities in North America, Europe, Caucasus, Central Asia and Israel (2009) SCCR/19/8, 15 (evidence from the Stockholm Conference suggests that this was not intended to limit the scope of the exception); cf. Ricketson and Ginsburg, 794, [13.45].

[74] Greece, art 21.

[75] Estonia, Art 19(2) ("the use of a lawfully published work for the purpose of illustration for teaching and scientific research to the extent justified by the purpose and on the condition that such use is not carried out for commercial purposes"). Note also Art XI.191(4) of the Belgian Code of Economic Law.

[76] Cp. Info Soc Dir, Art 5(3)(e), as interpreted in *Eva Maria Painer*, Case C-145/10, ECLI:EU:C:2011:798, [101]-106] (recalling that each Member State is best placed to determine, in accordance with its national needs, the requirements of public security, in the light of historical, legal, economic or social considerations specific to it).

[77] Eg Greece, Art. 24; Estonia, Art 19(5); Latvia, Art 24 (though limited to reproduction for purposes of judicial proceedings); Luxembourg, Art 10(13).

wording of the Database Directive by operating specifically formulated exceptions for database copyright that function as 'lex specialis.'[78]

5.4 Other exceptions to copyright which are traditionally authorized under national law

According to Article 6(2)(d), Member States may also offer other exceptions to copyright "which are traditionally authorized under national law", as long as these are without prejudice to points (a), (b) and (c) (and comply with the two-step test in Article 6(3)).

Some uncertainty surrounds whether this

i. only allows member states merely to maintain existing exceptions or
ii. permits Member States to introduce new ones, but only of the type traditionally recognised under (other) national laws;
iii. permits Member states to extend to databases all exceptions, even new ones, that are applied to copyright works.

Hugenholtz takes the view that this probably refers to exceptions already applied in national law to databases before adoption of the Directive, though he acknowledges that a broader reading is possible.[79] Certainly, a narrow reading might be regarded as limiting the further development of peculiar national exemptions that undermine the desired harmonizing effect of the Directive (recitals 2-4). Nevertheless, we think the third and broadest understanding might be regarded as the best interpretation, even if it requires a very flexible reading of the term 'traditionally'.[80]

Recital 35 of the Database Directive seems to have envisaged the drawing up of a list of exceptions, though no such action seems to have ever been taken. The recital might thus be regarded as otiose. However, the recital might be given some meaning, if Articles 5(1)-(3) of the Information Society Directive could be treated as operating in lieu of such a list. Viewed in this way, Article 6(3) might be seen as authorising Member States to adopt any exception that is compatible with Article 5 of the Information Society Directive. Admittedly, there is not a complete fit with the language of either recital 35 (and Article 1(2)(e) of the Information Society Directive). Moreover, significant uncertainties affect the interpretation of the exceptions in the articles of the Information Society Directive (with the Court of Justice piece by piece determining which ones offer flexibility in implementation to Member States and which are "all or nothing" provisions).

This interpretation seems to accord with the approaches that have been taken in a number of Member States (and is one which we will suggest should be given serious further consideration by the Commission as it moves forward). A number of countries, for example, Greece and Slovakia, do not just apply their library

[78] See eg Lithuania Art 27 (general exception relating to public uses) with Art 32(4) (the database specific exception); Italy, art 67 (general) and art 64sexies(1)(b) (database specific).
[79] Hugenholtz, *Concise*, 401.
[80] Contrast Rental Dir, Art 10(2) which permits Member States to provide for "the same kind of limitations…[to related rights] as it provides for in connection with the protection of copyright in literary and artistic works." It is suggested that despite the different wording, the intent of Article 6(2)(d) was very much along these lines.

and archive and reporting current events exceptions to databases,[81] but also exceptions of more recent vintage, for example, relating to persons with disability, or transient copying in networks (implemented Article 5(1) of the Information Society Directive),[82] while at least two have created a new text and data mining defence applicable to databases (as well as other works).[83]

5.5 Two step Test

Article 6(3) states:

> *"3. In accordance with the Berne Convention for the protection of Literary and Artistic Works, this Article may not be interpreted in such a way as to allow its application to be used in a manner which unreasonably prejudices the rightholder's legitimate interests or conflicts with normal exploitation of the database."*

Although the provision invokes Berne, three differences are worth observing. Firstly, Article 9(2) of Berne, which contains the so-called three-step test, authorises exceptions to the reproduction right in Article 9(1), whereas Article 6(3) appears to apply to exceptions to any of the rights harmonized in Article 5 of the Directive. Its inspiration thus seems to be Article 13 of the TRIPs Agreement, rather than Berne. Secondly, the first step of both Article 9(2) of Berne and article 13 of TRIPs, that any exceptions must be limited to "certain special cases", is omitted. Thirdly, Article 6(3) refers to the "rightholder's legitimate interests" whereas Article 9(2) of Berne refers to the legitimate interests of the author.

One further dimension of Article 6(3) is worth noting: it explicitly relates to 'interpretation' of Article 6 (that is Arts 6(1) and 6(2)), and states "this Article may not be interpreted in such a way as to allow its application to be used."

5.6 Findings of the study

5.6.1 Importance of Exception to Copyright

The study questionnaire confirms that exceptions to copyright in databases are an important source of contention. In response to a question put to legal experts who had been involved in disputes or proceedings relating to databases, the questionnaire asked what the issues were. Nine out of nineteen indicated that one of the main issues was the application of an exception to copyright.

[81] For example, Belgium, Art XI.191, applies by analogy to copyright databases, Art XI.190 Section 1-4, 10-11 eg news reporting and parody.

[82] For example, Greece, Art. 19 (quotations); art 22 (libraries and archives); Art 25 (reporting current events); Art 28A (disabled); Art 28B (transient copies under ISD Art 5(1)); Ireland, Section 87 (transient copies); or Slovakia (specifying that exceptions and limitations under Sections 34 to 57 and therefore including Art 54 on transient copying). But many Member States specifically state that the transient copying exception does not apply to databases: Denmark, Art 11(a)(2); France, Art L 122-5(6); United Kingdom, CDPA, s28A.

[83] CDPA, s 29A (UK); Estonia, Art 19(3) ('processing of an object of rights for the purposes of text and data mining and provided that such use does not have a commercial objective: RT I, 07.07.2016, 1 - entry into force 01.01.2017).

5.6.2 Criticisms of Stakeholders

Respondents to the Commission's public consultation, particularly those from the University and Library sectors, make three criticisms of the copyright exceptions regime.

The first is that the exceptions are too narrow. In particular, a number observe that it was inappropriate to exclude the possibility of a private use exemption in relation to electronic database. Moreover, a number of respondents also complain about the absence of an exception for text and data mining (something to which we return when considering the topic of coherence with the Digital Single Market initiative).[84]

Secondly, many emphasise problems that arise from uncertainty over who counts as a "lawful user" and what counts as "normal use": *"The term 'normal use' is vague and imprecise. As a result the term will be interpreted differently by the member states and/or the courts in the member states. In particular the question as to when 'normal use' applies with respect to continuously changing databases requires clarification …."*

Another source of uncertainty supposedly arises from Article 6(2)(d). According to EBLIDA,[85] it is not clear now whether Article 6(2)(d) implies that existing national copyright exceptions automatically apply to copyrighted databases, or whether this provision requires national legislators to actively implement their exceptions explicitly for databases.

Third, objection is made that many of the exception are optional rather than mandatory. The EUA, representing universities, for example, states:

> "*Exceptions in the Database Directive should be in line with other policies, namely the EU Copyright Directive. In general, exceptions, or at least the exception for teaching and scientific research (art. 6(2)(b)), should be mandatory across all European Member States*."

Another stakeholder from the university sector noted that:

> *"In research and education, the exception in art. 6(2)(b) is very important. We see more and more that data and databases are not fully accessible for research. E.g. more and more social media databases are restricted in use and not openly accessible for research and education. Although most Member States have included the directive as is in their own legislation, it would still be beneficial to make the exceptions mandatory. In addition, further alignment with the copyright directive is necessary, especially in the scope of exceptions."*

The library representative, EBLIDA, recommends:

> "*Directive should stipulate that Member States must ensure that all their national copyright exceptions should equally apply to databases whose selection or arrangement is protected by copyright*."

[84] EUA ('Text and Data Mining (TDM) should be included in the Database Directive's exceptions as well'); EBLIDA

[85] Citing Beunen, 99.

It argues that Article 15 "should be extended to the optional limitations and exceptions in Article 6(2)."

5.7 Conclusion

At present, there is some dissatisfaction with the treatment of exceptions to copyright in Article 6 of the Directive. In our analysis of coherence with the Copyright *acquis*, we note a further source of difficulty, namely the relationship between exceptions to copyright in databases and exceptions to copyright in other works. This is also evident in much of the implementation of the Database Directive discussed in this part. Indeed, one irony appears to be that those Member states which most assiduously implement the different directives, paying scrupulous attention to difference in wording of rights and exceptions, end up with unnecessarily complex, tortuous and unmanageable laws. In that section, we suggest that further consideration should be given by the European Commission to aligning the copyright protection of databases with that conferred on other works. If, however, that suggestion is not embraced, there are good grounds for thinking that Article 6 of the Database Directive should be revisited.

6 Sui Generis Right: Maker and Owner

Recital 41 of the directive states: "*Whereas the objective of the sui generis right is to give the maker of a database the option of preventing the unauthorized extraction and/or re-utilization of all or a substantial part of the contents of that database; whereas 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 maker".*

6.1 The law

Strangely, the Directive does not have a provision on ownership of the *sui generis* right. Recital 41 only provides minimally that the database maker is 'the person who takes the initiative and the risk of investing'. The defining issue is who is making the substantial investment. The database maker, or producer as it is often also called, can be an individual or legal entity. There is no provision either regarding databases made by employees but Recital 41 states that subcontractors in particular are excluded from the definition of maker. Apart from this restriction, therefore, Member States are free to have a rule of ownership giving the right to the employer or to the employee (similar to Art. 4, above). The Directive is silent on joint ownership but much of the literature argues the directive makes it possible.[86] These issues of ownership by employees, commissioners and joint owners are therefore entirely left to national laws. [87] For instance, the British legislature implemented this possibility explicitly.

It is clear that both the implementation acts and the literature are divided on whether these two conditions of risk and initiative are cumulative or not and also as to whether making a substantial investment is a condition to be a database maker.

6.1.1 Implementation acts

The picture on this point is extremely patchy. Member States can be divided in 6 groups.

1. Initiative and risk: Some Member States require, as recital 41, that the database maker both takes the risk and the initiative to invest (Croatia, Ireland, Spain, UK, Slovakia[88]).
2. Person who took the initiative, the risk and made a substantial investment: The French (art. L 341-1 IPC[89]), Italian (art. 102bis (1)(a)a Copyright act), Latvian, Bulgarian, Polish and German implementing acts add the substantial investment requirement in the database maker definition.

[86] Beunen, 155 and references therein.

[87] For extensive details of national implementations and the literature's views, see Beunen, 146ff.

[88] The Slovak Copyright Act grants the sui generis right to the person who initiated and provided for the production (making) of the database (Slovak Copyright Act, §135). See Koščík and Myška (2017), 53.

[89] Wipolex, Code de la propriété intellectuelle (version consolidée au 17 mars 2017) : "Le producteur d'une base de données, entendu comme la personne qui prend l'initiative et le risque des investissements correspondants, bénéficie d'une protection du contenu de la base lorsque la constitution, la vérification ou la présentation de celui-ci atteste d'un investissement financier, matériel ou humain substantiel."

3. Person who made substantial investment: In the Netherlands, the person who took the initiative is irrelevant. Art. 1(1)(B) Databankenwet defines the maker of a database as the person 'who bears the risk of the investment for creating the database'.[90] The same goes for Portugal (Art 122 - 1 (4)).
4. Additional conditions: One Member State adds yet another condition: Art.84/A of the Hungarian act to the risk and initiative conditions that the database has to be made under the name of the database maker ("The rights provided for in Paragraphs (1) to (3) shall apply to - the maker of the database - the natural or legal person or business company without legal entity at whose initiative, in whose name and at whose risk the creation of the database occurred and who/which provided the necessary resources therefor").
5. Alternative conditions: In the Czech Republic, the database maker is the person who took responsibility for producing a database or on whose instruction the database was produced (Czech Copyright Act, §89).
6. Totally different wording: In Sweden, the law states that "*a maker of a database*" is "*anyone who has produced a catalogue, a table or another similar product*". In Lithuania, the owner of the sui generis right is defined as the "*maker of a database who, when selecting, arranging, verifying and presenting the contents of the database, has made substantial qualitative and (or) quantitative (intellectual, financial, organisational) investments, as well as a natural or legal person to whom the sui generis rights of the maker of the database has been transferred".*

There are other issues that arise in the context of ownership.

6.1.2 Joint ownership

Most Member States laws are silent on this issue.[91] Three Member States have rules on this. In the UK and Ireland, if two or more persons both take the risk and the initiative, joint making may occur. In Poland, "co-production" in database making is possible, based on a conviction that the division of responsibilities cannot be excluded. However, if the individual stages of a given database are not co-ordinated by the manufacturers of the various stages then each of them has a sui generis right to the relevant part of the database (and provided that such part is extracted from the entire database in accordance with the features specified in the legislation).

Several commentators agree that the database directive allows joint ownership of the sui generis right.[92] Some German commentators suggest that "joint sui generis right owners shall be considered as 'co-owners by defined shares' 'Bruchteilsgemeinschaft') as regulated in Sec. 741 of the German Civil Code."[93] The literature diverges as to whether the two or more joint owners have to fulfil the two conditions i.e. initiative and risk. In practice, it may well be that it is

[90] See also Michal Koščík and Matěj Myška, 'Database authorship and ownership of sui generis sui generis rights in data-driven research' (2017) 31(1) IRLCT 43 at 53. However, the word substantial is missing.
[91] Koščík and Myška (2017), 53.
[92] Gaster, Hugenholtz, Visser, Verkade and Lucas/Lucas and Beunen too; contra: Gaudrat, all cited by Beunen, p. 154.
[93] Koščík and Myška (2017), 53 citing Thum and Hermes 2014, marg. n. 140.

hard to determine who owns the sui generis right so that clear contracts are very important.[94]

For Koscik and Myska, as subcontractors are excluded from being makers, a fortiori employees should be since they do not bear the risk of investing. [95]

6.1.3 Employees and subcontractors

Two Member States provide for rules relating to databases made in the course of employment but totally divergently. While in Sweden, it is possible that an employee can have the sui generis right (though in most cases employment contracts will provide transfer to the employer), the UK has the presumption that the employer is the owner, unless the parties agree to the contrary.

Another area of at least potential divergence is the different meaning that the term 'subcontractor' can have. The literature has identified that it can mean both the 'supplier' and the 'supplier of the supplier'.[96] "For example, the Czech language version of the [database directive] uses term 'subdodavatelé', which could also be understood as the 'suppliers of a supplier'; on the other hand, the German version of the DD uses the term 'Auftragnehmer' which could be understood as contractor". [97]

6.1.4 Other types of makers

Sui generis protection might be attributed to legal entities or even public authority or administration in Germany. There is no indication as to this in other Member States laws. However, there is one Italian court which refused the protection of the sui generis right to a public administration, because the EU and national legislation mention that just companies and firms are eligible to database ownership.[98]

6.1.5 National case law

Case law in the Member States on this issue is not abundant but is quite divergent and not only between Member States but also within the same Member States between different courts (eg the Netherlands). Some courts carefully examine who made the investments, some don't and assume ownership without discussion.

In France, an association of estate agents was considered the producer of a database of properties for sale and data for buyers. 'According to the court, the association made substantial investments as to costs and wages for the constitution and permanent updating of the databases jointly maintained by its affiliates' and had developed special database software too.[99]

A Dutch court held that Technos, whose database had been incorporated to ICC's database, failed to prove it remained a database owner of the part it delivered to

[94] Beunen, Leistner, Verkade and Visser, cited by Beunen, p. 154.
[95] Koščík and Myška (2017), 53.
[96] Koščík and Myška (2017), 53
[97] Koščík and Myška (2017), 53
[98] Trib. Roma- Sezione IP- ordinanza 5 giugno 2008 – Edizioni Cierre s.r.l. c. Poste.
[99] Beunen, p. 154 citing Trib. Com. Nanterre 14/5/2004, *Consultants Immobilier v. Aptitudes Immobilier,* available on www.legalis.net

be included in ICC's database or that it was a joint owner or the only owner of the sui generis right in ICC's database as a whole.[100] In two other Dutch cases, a company had bought another who had made a database.[101] The facts presented in the two judgments do not mention whether there was a provision in the contracts transferring the sui generis right to the buyer. But the courts, without much investigation, held that the buyer was not only the owner of the physical medium incorporating the databases but also of the sui generis right.

6.1.6 Literature

The literature is divided on how to read recital 41. Some argue that the two conditions of initiative and risk are cumulative so that if the same person does not cumulate them, there is no database maker. Some say on the contrary that the two can be regarded as joint makers[102].

The Dutch literature is divided on the Dutch implementation. Some praise it, some criticise it. For those who criticise it, the main reason is that this means that the commissioning party will be the maker rather than the producer so that other parties than the actual makers of databases will be the owners of the sui generis right. For Quaedvlieg, the commissioning party finances the development of the database but this is not the risk the directive means.[103] Beunen does not think that commissioning parties can never have the sui generis right. She gives the example of a digitised collection of a museum. However, Quaedvlieg, Verkade/Visser, Frequin and Hugenholtz agree with the Dutch implementation act's omission of the initiative condition which for them is not a distinctive factor.[104] In the Dutch and French literature, there is no agreement on which risk is relevant.[105]

Seignette, another Dutch commentator, classifies three risks, i.e. production, organisational and associative risks.[106] For her, it is the organisational risk which is relevant for the definition of maker and also she thinks this is the relevant criterion that the database directive envisages. Beunen is also of this opinion. Seignette also mentions that it is the same for copyright, namely simply paying for the work does not entitle the commissioning party to copyright protection. According to this interpretation of the term risk, a holding company cannot be a sui generis right owner because the financial risk is not decisive but the organisational risk is.[107] So the subsidiary who takes the organisational risk will be the sui generis right owner. Similarly, for Gaster, a company acquiring another one that made a/several database(s) does not become the owner of the sui generis right since it did not itself invest in the development of the

[100] District Court of Amsterdam, 15/10/2003, *Technos BV v. X, aff'd by* CA Amsterdam 15/09/2005, available on www.rechtspraak.nl cited by Beunen, p. 154.
[101] President District Court Arnhem, 4/4/2003, *Interactive Telecom Solutions Ltd & Others v. De Ruijter*, KG 2003, no 112 and District Court Zutphen, 30/11/2005, available on www.rechtspraak.nl.
[102] Beunen, p. 148.
[103] Beunen, p. 150.
[104] Beunen, p. 150.
[105] Beunen, p. 152-153 who cites quite a few French and Dutch commentators.
[106] Beunen, p. 152.
[107] Beunen, p. 156.

database(s).[108] Likewise, Beunen is of the same opinion when she criticizes the two above mentioned Dutch cases. For her, the acquiring company can only become owner of the sui generis right once it starts updating or adding to the database it has bought and makes a substantial investment.[109] Indeed, "national interpretations of the terms initiative and risk can be different. Consequently, the issue arises of who should be considered an investor when the initiative arises with party A and the risk is borne by the party B. For example, in Germany, the term investor is interpreted as the subject who has concluded all the relevant contracts, for example, relating to finance and employment. Indirect investors (such as banks providing loans) are excluded from the definition."[110]

6.1.7 Big data/sensor-data

More ownership problems can arise in relation to this type of data. Often with this type of data, it will be hard to determine who the database maker is and if it is not hard then the sui generis right will be owned jointly because a lot of persons will take the initiative and risk of investing.[111] An interview partner adds that he personally knows of some hold up situations because of split co-ownership. For him, contracts are the solution to this problem. An advantage of the sui generis right is that contrary to copyright, it has no moral rights, so the entirety of the right can be contractually transferred so it is easier to deal with.[112] "However, obviously the conclusion of such contracts is faced with different transaction cost hurdles and potential information asymmetry in certain situations. Therefore, in order to make contract-based solutions workable, additional legal guideposts might be needed".[113] Otherwise with sensor data, the person who takes the initiative and/or risk will often be the manufacturer of the sensors, while the operators of the machines or devices may in some cases also invest in the obtainment of the data. So often it will be the manufacturer who will be the database maker. While this helps with transaction costs, it can aggravate access and leveraging problems as they will often be the only ones who have access to the data (sole source database). Therefore, "this solution would even increase the need for instruments to guarantee *access* for legitimate users where they need this in order to devise, produce or market additional products or services."[114] One immediately thinks of compulsory licences. Another solution to counter both hold-up situations and power concentration caused by respectively joint ownership and sole ownership is registration.[115] However, registration of the sui generis right is a double-edged sword: the registration requirement would filter those databases makers who really need the sui generis right to make the databases but on the other hand, registered unitary protection right risks incentivising rent seeking and strategic registration.

[108] Gaster 1999. See also the two Dutch cases mentioned above and deciding differently.
[109] Beunen, p. 157.
[110] Koščík and Myška (2017), 53, citing Thum and Hermes 2014, marg. n. 131 and 134.
[111] Leistner 2017, p. 35.
[112] Michal Koščík and Matěj Myška, (2017), at 59.
[113] Leistner 2017, p. 36.
[114] Leistner 2017, p. 37.
[115] Leistner 2017, p. 37.

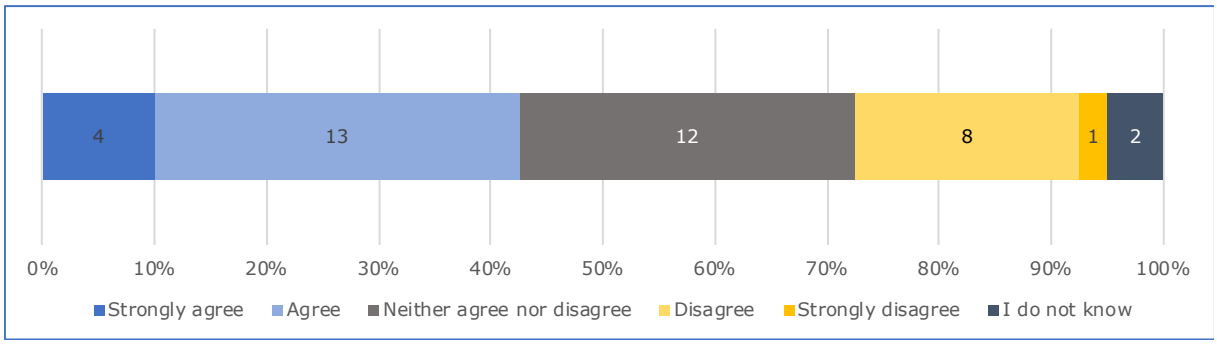
6.2 Findings of this study

6.2.1 Questionnaire

From the questionnaire, it is not very clear that the definition of database maker creates problems; at best there are conflicting answers on this point. One user-maker commented that in relation to academic databases, it is sometimes unclear who owns the database.

Experts' views on the definition of database maker are as follows and also reveal a mixed picture (see Figure 9):

Figure 9 Experts' opinion on the clarification of the definition of database maker



Source: Survey conducted for this study

6.2.2 Interviews

Interviewees agree that there are improvements to be made in relation to the question of ownership of the sui generis right. It can be costly to determine who the owner is. Some think it may be best to leave this to contracts.

6.2.3 Workshop

At the workshop, many participants mentioned that they would like a clarification of the notion of maker including of joint makers.

6.3 Potential reforms

In sum, the data shows that even if for some the concept of maker does not cause problems, there is enough divergence between the laws of the Member States, case law showing problems as well as concern across groups about the notion of maker that a legislative response is necessary.

One possible improvement would be that the definition of the database maker should be stated in the text of the directive and that the maker should be the person responsible for *substantial* investment in the database. [116] So this would add the requirement of substantial investment to the definition of the maker of a database. This is because there needs to be risk in making/developing the database, an investment in the database production itself; buying a database is not enough.[117] Another idea that might be considered is using the term 'producer' in parallel with the same concept used in relation to most related rights. Employees should be clearly excluded from the definition of maker, like

[116] On this, see also Beunen, p. 151 and 157.
[117] Beunen, p. 157.

subcontractors. In relation to joint making, the directive's text should state that such possibility exists. It could include a presumption of ownership to the person who made most substantial investment to avoid hold-ups.

Finally, joint 'makership' is different from joint authorship under copyright law and we recommend not merging the two as the efforts and persons making these efforts could very well be different in many cases. A.-M. Beunen and the European Parliament had wanted the author of a creative database to necessarily be the maker for sui generis right. We think this is debatable. Presumably the arguments are:

i. The simplicity of having all rights in one person;
ii. Copyright is in some way hierarchically privileged because of the "creator". The arguments against are (i) the rights are independent, and respond to distinct "inputs"; (ii) linking them produces uncertainty where it is clear who the maker is, but uncertain whether the threshold of AOIC has been met (and thus whether the maker is not in fact the first owner);
iii. The rights can in any case come to be separated, especially in monist countries (Austria-Germany). This is why one argument might be for some sort of presumption similar to s 53 of the UK copyright act.

7 Sui Generis Right: protection requirement and infringement

Article 7: Object of protection

> "*Member States shall provide for a right for the maker of a database which shows that there has been qualitatively and/or quantitatively a substantial investment in either the obtaining, verification or presentation of the contents to prevent extraction and/or re-utilization of the whole or of a substantial part, evaluated qualitatively and/or quantitatively, of the contents of that database*."

For the purposes of this Chapter:

a. 'extraction' shall mean the permanent or temporary transfer of all or a substantial part of the contents of a database to another medium by any means or any form;
b. 're-utilization' shall mean any form of making available to the public all or a substantial part of the contents of a database by the distribution of copies, by renting, by on-line or other forms of transmission. The first sale of a copy of a database with the Community by the rightholder or with his consent shall exhaust the right to control resale of that copy within the Community;

Public lending is not an act of extraction or re-utilization.

The right referred to in the excerpt of Article 7 (see above) may be transferred, assigned or granted under contractual licence.

The right provided for in Article 7 shall apply irrespective of the eligibility of that database for protection by copyright or by other rights. Moreover, it shall apply irrespective of eligibility of the contents of that database for protection by copyright or by other rights. Protection of databases under the right provided for in Article 7 shall be without prejudice to rights existing in respect of their contents.

The repeated and systematic extraction and/or re-utilization of insubstantial parts of the contents of the database implying acts which conflict with a normal exploitation of that database or which unreasonably prejudice the legitimate interests of the maker of the database shall not be permitted. The issues to be discussed are, therefore:

a. Substantial investment
b. Creation v obtaining/verification/presentation
c. Rights namely extraction/reutilisation
d. Infringement: substantial part
e. Infringement: repeated insubstantial parts including web scraping

8 Substantial investment

8.1 The law

The criterion for a database to benefit from the sui generis right is a quantitative or qualitative substantial investment in obtaining, verification or presentation of contents. The investment can be material, financial or human (recital 40, para. 44 *OPAP*). The investment can be financial, material or human. Financial investment is self-explanatory. Human investment can be in time, effort or energy whereas material investment refers to the acquisition of equipment to build the database. Therefore, investments which cannot readily be quantifiable in money, such as human investments, can qualify a database for protection. The CJEU confirmed this when defining the term 'qualitatively'.

There is no indication of the level of investment in the Directive except that Recital 19 states that usually, owing to too little investment, a compilation of recordings of musical performances on a CD should not be able to qualify as a database.[118] All that one can glean from this therefore is that the level of investment must be more than minimal. It points towards a low threshold. Nevertheless, because the term 'substantial' is vague, and thus can be interpreted strictly or broadly, it leads to uncertainty.[119] There is also no CJEU decision on this issue. In the national courts, there is generally no dispute on this point as the level of investment is high. Some courts have had to grapple with minimal investments and rejected *sui generis* right protection in some cases.[120] Commentators are split on the issue but generally, national courts have been generous and granted protection for relatively low-level investments.[121]

The Directive does not define the terms 'quantitatively' and 'qualitatively'. The CJEU has given some guidance in respect of those terms: '[t]he quantitative assessment refers to quantifiable resources and the qualitative assessment to efforts which cannot be quantified, such as intellectual effort or energy, according to the 7th, 39th and 40th recitals […]'.[122] Therefore, a quantitatively substantial investment refers to the amount of money and/or time invested in the database while a qualitatively substantial investment refers to the effort and/or energy invested in the database. Thus 'quantitatively' does not refer to the quantity of data in the database, nor the quantity of the investment but

[118] Recital 19 states "Whereas, as a rule, the compilation of several recordings of musical performances on a CD does not come within the scope of this Directive, both because, as a compilation, it does not meet the conditions for copyright protection and because it does not represent a substantial enough investment to be eligible under the sui generis right".

[119] See e.g. M. Leistner, 'Legal protection for the database maker: Initial experience from a German point of view' (2002) IIC 957; Sanks, 998; Pollaud-Dulian, 540. For more references, see Derclaye, 2008a, 75.

[120] See e.g. *AMC Promotion v CD Publishers Construct Data Verlag GmbH*, T. Com. Paris, 16 February 2001, cited by C. Caron, 'Liberté d'expression et liberté de la presse contre droit de propriété intellectuelle', (2002) *Communication Commerce Electronique*, **2**, 25 (classifying data alphabetically is not sufficient); *Datenbankeigenschaft von Hyperlinksammlungen*, AC Rostock, 20 February 2001, available on <http://www.jurpc.de/rechtspr/20020082.htm> (very simple collections of data are not protected, for example a small private collection of addresses).

[121] For more details, see Derclaye, 2008a, 76 ff.

[122] Case C-338/02 *Fixtures Marketing Ltd v AB Svenska Spel* [2004] ECR I-10549 (*Svenska Spel*), para. 28; (C-444/02) *OPAP,* para. 43; Case C-46/02, *Fixtures Marketing Ltd v Oy Veikkaus AB* [2004] ECR I-10497 (*Veikkaus*), para. 38.

rather to the type of investment (financial). A consequence of this is that if the arrangement of the data is original and represents a qualitatively substantial investment, then there is a coincidence between a qualitatively substantial investment and originality.[123] In this case, two types of protection (copyright and *sui generis* right) attach to the same aspect of the database. This can generate problems as the *sui generis* right and copyright provisions sometimes clash.

8.2 Implementation in the Member States

8.2.1 Statutory law

According to expert sources, Belgium, Austria, Croatia, Czech Republic, Bulgaria, France, Germany, Hungary, Ireland, Malta, Portugal, Lithuania, Latvia[124], Luxembourg, the Netherlands, Poland, Romania, Slovenia, Slovakia, Spain and United Kingdom have transposed the directive to the letter or almost. In Denmark, Finland and Sweden, the requirement of substantial investment is linked to a large number of elements so that if there is no substantial investment, but the database comprises a large number of elements, it would appear that it will be protected. In addition, in Denmark neither the words "qualitatively and/or quantitatively" nor the words "in either the obtaining, verification or presentation of the contents of the database" are expressly included in the relevant legislation. The Italian Act uses the terminology "relevant investment".

8.2.2 Case law

In many Member States, the national courts post-2005 do not define what a substantial investment is. Many cases deal with considerable amounts (several thousand pounds or euros and above). In Italy, a quantitative substantial investment is usually determined in accordance with what may be considered the normal investment for a specific sector. In Germany, the threshold for substantial investment is set rather low, in particular by the Federal Court of Justice. In an isolated French decision (*Réseau fleuri v. L'Agitateur floral*), an investment which was made over 20 years in the collection, verification and updating of data for two databases (180,000 euros and 388,279 euros respectively for each) was held not to be substantial. In Portugal, there is not been a single case was about sui generis right. Of note, the German Supreme Court held that the investment in acquiring a database or in the payment of a licence to use a database does not count for the requirement of a substantial investment.[125] This finding could be more related to the ownership of a database, see above discussion of recital 41.

8.3 Findings of this study

The majority of the contributions from the public consultation, interviews, questionnaires and workshop find that the notion of substantiality should be clarified. A few respondents to the public consultation said it is too easily met. As

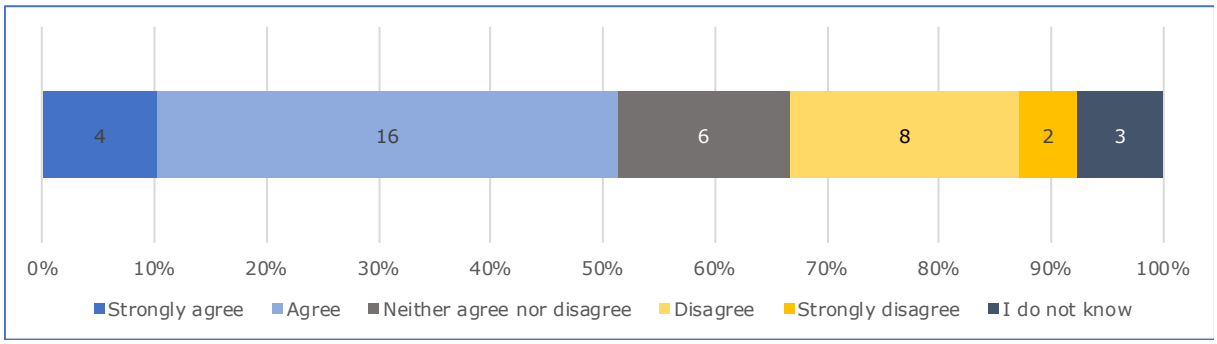
[123] Davison, 84.

[124] The English version of the Latvian act on WIPO-LEX states "the creation, verification, and formation of which there has been substantial qualitative or quantitative investment" – the translation may not be fully accurate, so it is difficult to ascertain whether creation is different from obtaining and formation is not presentation.

[125] *Elektronischer Zolltariff,* 30 April 2009 (2009) GRUR 852, reported by von Lewinski, 241. Note that in that case, the claimant had made substantial investment in presenting the data so it benefited from the *sui generis* right.

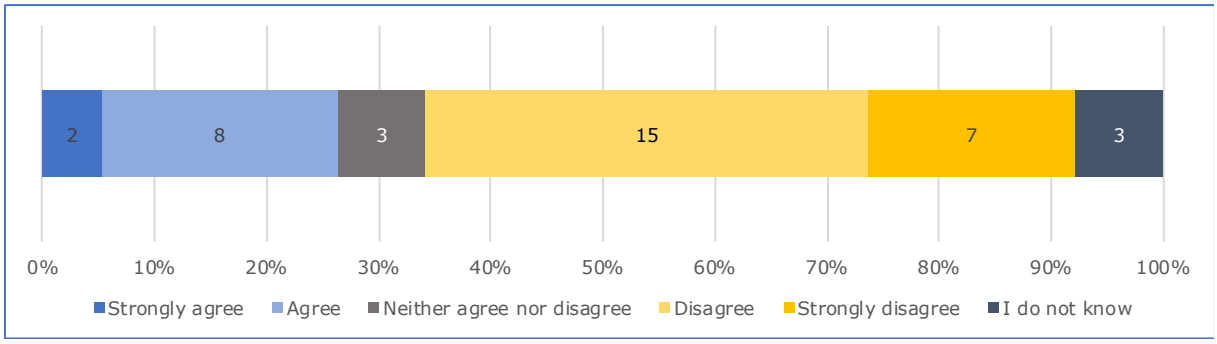
to the questionnaire, a small majority of experts (just above 50%) think that the threshold of substantial investment should be higher (see Figure 10), and a big majority disagree that investments should only be financial (Figure 11). For use-makers a small majority says that they do not encounter problems with the notion of substantial investment (Figure 12), and users are equally split (Figure 13).

Figure 10 Experts' opinion on the increase of the threshold of substantiality at which investments in databases are granted sui generis right protection



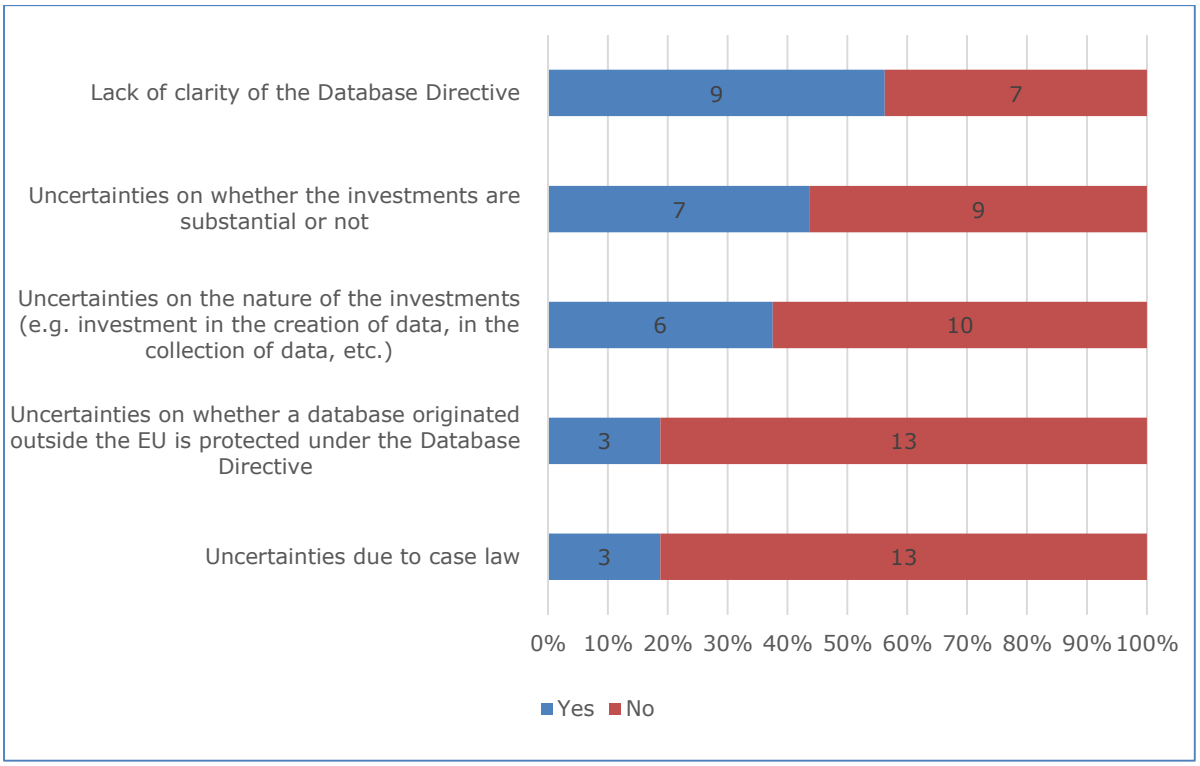
Source: Survey conducted for this study

Figure 11 Experts' opinion on the limitation of relevant investments that can give rise to the sui generis right



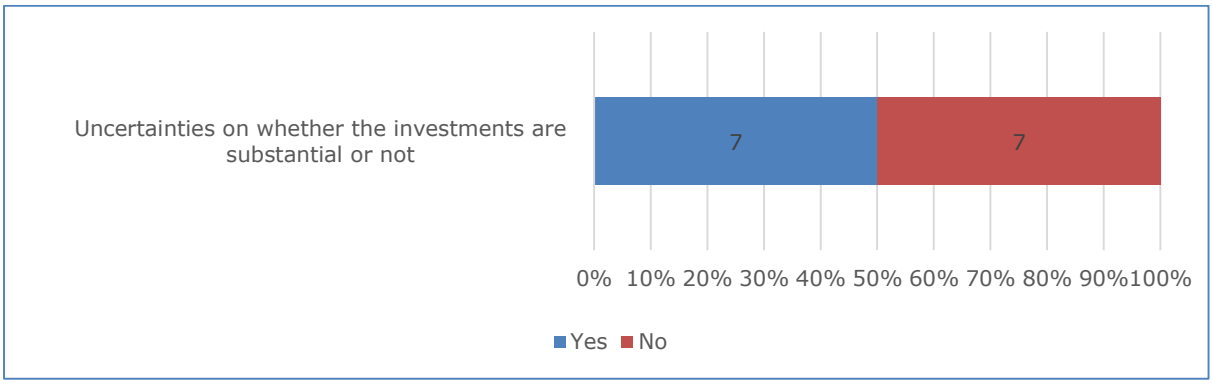
Source: Survey conducted for this study

Figure 12 User-makers' opinion on the barriers to determine when databases are protected by the sui generis right



Source: Survey conducted for this study

Figure 13 Users' opinion on the barriers to determine whether databases are protected through copyright or sui generis right



Source: Survey conducted for this study

8.4 Possible reforms

The main sticking point from the vast majority of contributions and from the case law is the notion of 'substantial'. The courts do not define it and its meaning is unclear across groups. The notions of investment, qualitative and quantitative, verifying and presenting do not seem to have posed problem. A narrow majority of experts in the questionnaire want to increase the threshold of substantial investment. On the other hand, some commercial publishers at the workshop suggested to delete the notion of substantial.

One possibility would be to keep a low threshold, maybe even delete the notion of substantial, but then it would have to be combined with a more stringent

regime overall i.e. narrower rights and more exceptions including compulsory licences. However, one should be very careful before removing the "substantial" investment threshold, less one inadvertently create rights in many rather trivial databases. Of course, that might be less of a problem if there is a formality requirement, such as registration which we discuss below. But even so, one could imagine registration by record companies of album track lists etc and if there is no substantiality requirement renewal becomes even easier.

The point of substantiality is to limit protection that databases that would not be created (ie information collected, verified and/or presented) in the absence of legal protection. To our mind, this suggests a rather high threshold is appropriate as (i) it is relatively easy to collect data and (ii) there seems to be plenty of user-generated, voluntary databases. What the EU should care about is big investments. The problem with the substantiality threshold is not that it exists, but where it lies and the associated uncertainty. Rather than removing it, the better response would be to identify some mechanisms for agreeing standards and instilling legal certainty. This brings us back to a core question of harmonization of unregistered rights - the relative absence of case-law at the CJEU level (and according to many respondents, per se). The following could be proposed:

a. coupled with a registration requirement at the EUIPO, a mechanism to invalidate registrations for databases that do not involve substantial investment (generating case-law that offers improved clarity);
b. even if the right is left unregistered, requiring the EUIPO to maintain a database of national decisions and periodically to develop guidance on interpretation of substantiality;
c. annual meetings of the EU's judges which deal with sui generis right, to develop common understandings of sui generis rights issues.

Essentially, these are ideas to improve harmonization and articulation of standards. The idea is that then parties will be able to judge.

If one removes the substantiality threshold, and thereby create protection for trivial databases, the following would definitely be desirable:

i. a significant substantiality threshold for infringement;
ii. a very broad array of limitations and exceptions capable of justify the use of the whole of a protected database.

But our sense is that users are much more vulnerable with these sorts of solutions because they have less deep pockets and are also more risk averse.

9 Verification and presentation

9.1 The law

The term 'verification' means ensuring the reliability of the information contained in the database, monitoring the accuracy of the materials collected when the database was created and during its operation.[126] This will include checking, correcting and updating the contents since these are ways of ensuring the contents' reliability.[127] Even if the database remains the same (the elements are not changed) as a result of the verification, it is still possible to prove a substantial investment.[128]

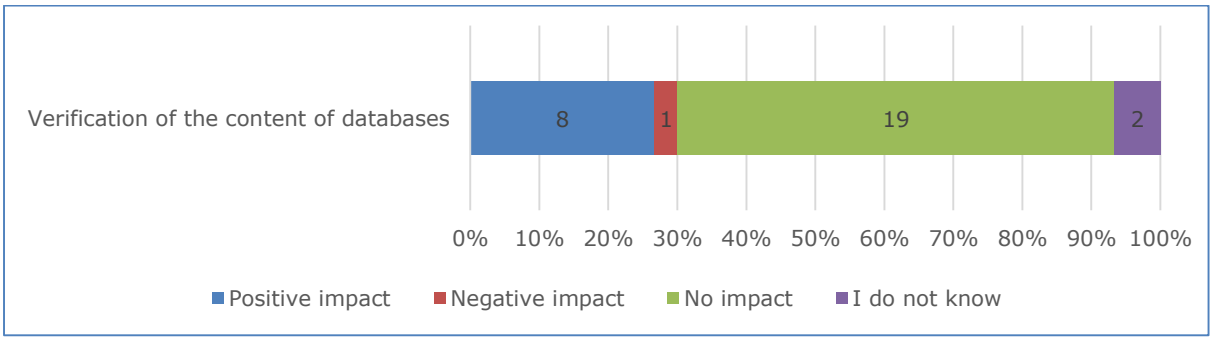
The CJEU held that investment in presenting refers to 'the resources used for the purpose of giving the database its function of processing information, that is to say those used for the systematic or methodical arrangement of the materials contained in that database and the organisation of their individual accessibility'.[129] Presentation refers to the structuring or organisation of the data as well as the way the contents are made accessible to the users. This includes the creation of an index or thesaurus.

The overwhelming majority of Member States statutory and case laws are in line with the directive.

9.2 Findings of this study

The results of the questionnaire indicate that neither for the makers nor the user-makers has the possibility to protect verification of contents of a database had an impact (see Figure 14 and 16).

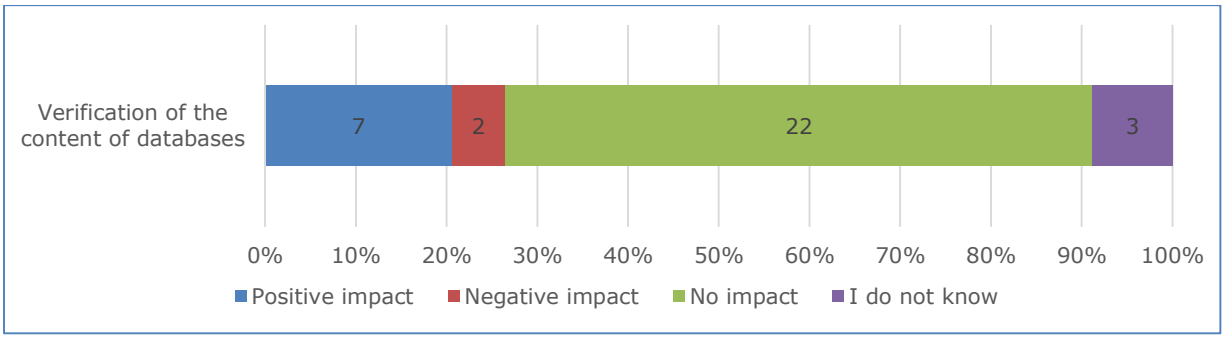
Figure 14 Makers' opinion on the influence of the sui generis right on the decision to invest in the verification of the content of databases



Source: Survey conducted for this study

[126] Case C-338/02 *Svenska Spel*, para. 27.
[127] Hugenholtz, 135.
[128] *British Horseracing Board v William Hill* [2001] RPC 612, para. 35; Recital 55 also provides that if substantial investment is put into ensuring the database is accurate, even if the contents do not change, it is protected by the *sui generis* right.
[129] Case C-338/02 *Svenska Spel*, para. 27.

Figure 15 User-maker's opinion on the influence of the sui generis right on the decision to invest in the verification of the content of databases



Source: Survey conducted for this study

10 Creating/obtaining

10.1 The Law

The concept of "obtaining" was considered by the Grand Chamber of the CJEU in the Fixtures Marketing and BHB decision, Case C-203/02. The CJEU noted at [37]-[41] that 'the resources used to draw up a list of horses in a race and to carry out checks in that connection do not represent investment in the obtaining and verification of the contents of the database in which that list appears.' Therefore 'it must be held that those materials do not represent a substantial part, in qualitative terms, of the BHB database.' In other words, the CJEU has held that the term 'obtaining' encompasses only the collection of the data and not its creation.[130] This ensures that spin-off databases, i.e. databases which are the by-products of main activities, are rarely protected by the *sui generis* right and avoids monopolies on information. Only where there is a separate substantial investment in gathering the created data can the *sui generis* right attach to the database.[131] As it is often difficult to prove such separate investment, the *sui generis* right will rarely protect sole source databases.[132] The Court did not give an answer regarding data recorded from nature (e.g. meteorological). Commentators are split on the issue. Some think the Court would hold that recording data is creating data rather than obtaining it.[133] Other commentators think recording data is collecting it.[134]

10.2 Implementation in the Member States

In the Member States where this issue came before the courts, the latter comply with the CEU rulings in *Fixtures Marketing* and *British Horse Racing Board*. For instance, in *Ryanair v. Atrapalo*, the Spanish Supreme Court held that Ryanair's web site was a database but was not protected by the *sui generis* right, because the investment was in the creation of data and of software, and not on their obtaining.[135]

10.3 Findings of the study

10.3.1 Public Consultation

Respondents to the public consultation are split between those who want to delete the distinction between creating and obtaining data or in other words reverse *Fixtures Marketing/ British Horse Racing Board* decisions and those who agree with the latter decisions.

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[130] Case C-338/02 *Svenska Spel*, para. 24; Case C-203/02 *BHB*, para. 31; *Veikkaus*, para. 34; *OPAP*, para. 40.

[131] Case C-338/02 *Svenska Spel*, paras 29–30; *OPAP*, paras 45–6.

[132] See e.g. *NVM v Zoekallehuizen.nl,* Pres. Arr. Arnhem, 16 March 2006, upheld by CA Arnhem, 4 July 2006, available at <http://zoeken.rechtspraak.nl/resultpage.aspx?snelzoeken=true&searchtype=ljn&ljn=AV5236&u_ljn=AV5236>

[133] Bygrave, 31.

[134] O.-A. Rognstad, Opphavsrett, Universitetsforlaget, Oslo, 2009, 302–3; M. Leistner, 'British Horseracing Board v. William Hill', (2005) *International Review of Intellectual Property and Competition Law*, 36, 592, 594; Kur et al., 'First evaluation of Directive 96/9/EC on the legal protection of databases', (2006) *International Review of Intellectual Property and Competition Law*, 37 , 551, 556; E. Derclaye, 'Databases s*ui generis* right: Should we adopt the spin-off theory?' (2004), *European Intellectual Property Review*, 402, 411–12.

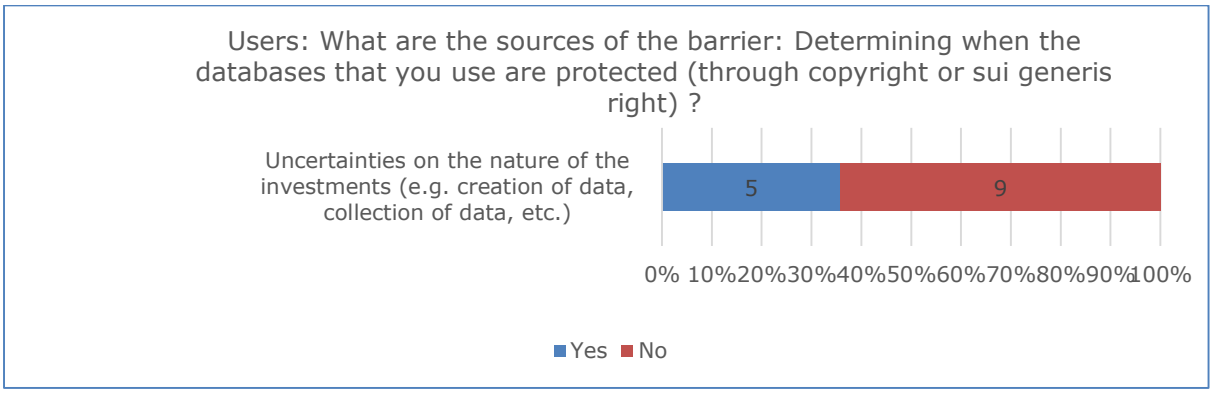
[135] Case STS 572/2012, 9 October 2012, available at <http://www.poderjudicial.es/search/indexAN.jsp>.

The first group (mainly database producers) claims that it is often difficult to make the distinction between creating and obtaining data. It costs or is sometimes impossible for database producers to separate and, therefore, to prove the investment in these two types of effort. Therefore, some would like that investment in creating data be recognised as triggering the protection. The other group, mainly user-makers and users of databases, are in favour of the status quo. Some also would like further clarification in relation to machine-generated data, namely that it is created data and thus unprotectable by the sui generis right.

10.3.2 Questionnaire

Users do not seem to encounter difficulties determining whether a database is protected by the sui generis right or not because of the diction between creating and obtaining data (see Figure 16).

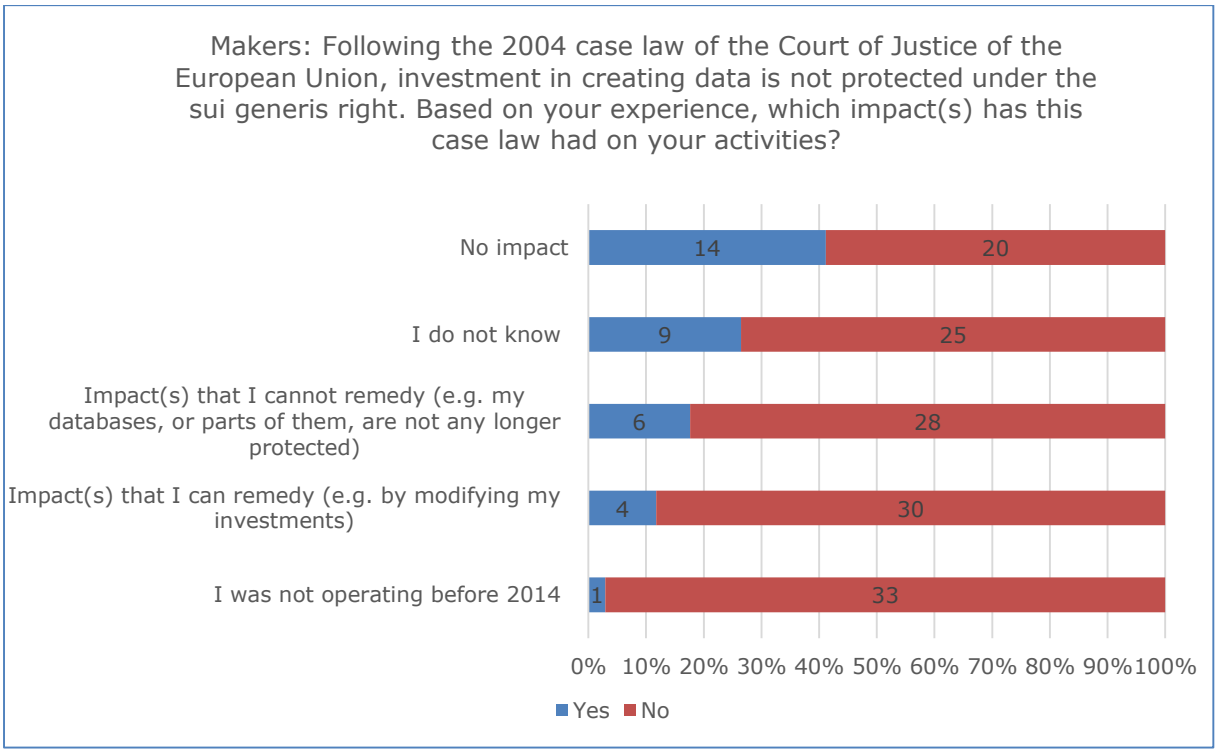
Figure 16 Users' opinion on the difficulty to determine whether databases are protected through copyright or sui generis right due to uncertainties on the nature of investments



Source: Survey conducted for this study

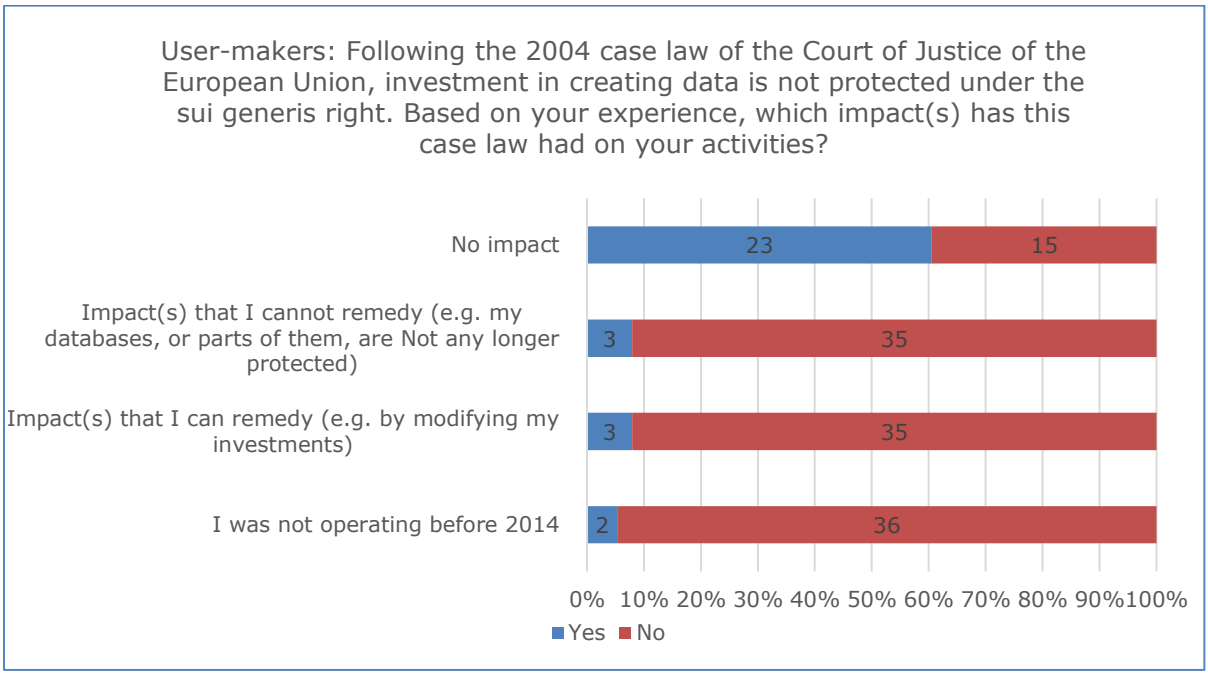
For the makers, the picture is mixed as to the impact of the *BHB* and *Fixtures marketing* decisions (see Figure 17). It may be because some only create data and some collect, verify or present it, or both create and collect, verify or present it. The 2004 CJEU decisions have for the most part had no impact on the user-makers (see Figure 18).

Figure 17 Makers' opinion on the impact of the 2004 case law of the Court of Justice of the European Union



Source: Survey conducted for this study

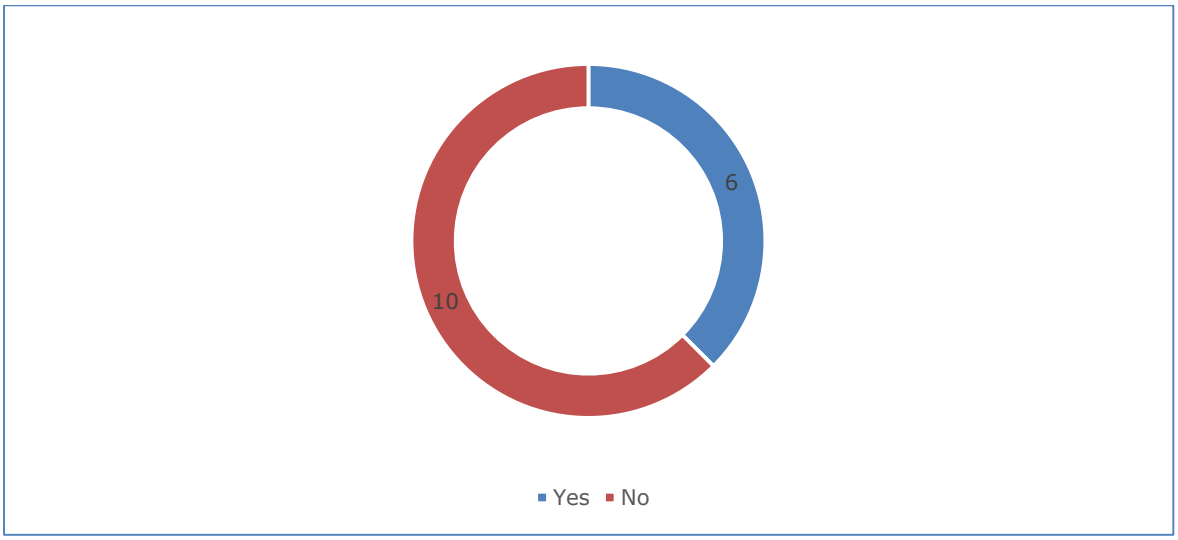
Figure 18 User-makers' opinion on the impact of the 2004 case law of the Court of Justice of the European Union



Source: Survey conducted for this study

Also, a majority of user-makers (63% of those who experienced problems) did not have difficulty with determining whether their database were protected by the sui generis right because of the distinction between creating and obtaining data.

Figure 19 Share of users-makers who experienced difficulties in determining whether their databases were protected by the sui generis right because of uncertainties on the nature of their investments

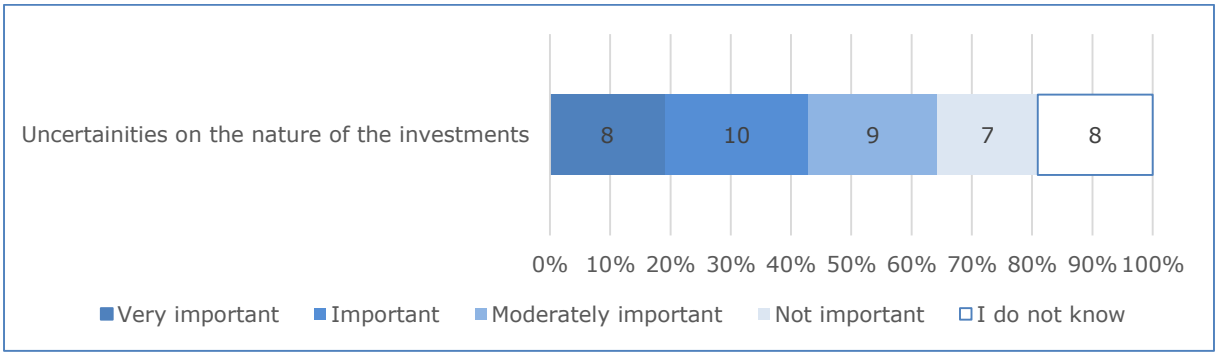


Source: Survey conducted for this study

10.3.3 Experts

To the question 'how important are the following barriers to the access and use of databases?', most experts think that there is a problem with the distinction between creating and obtaining data.

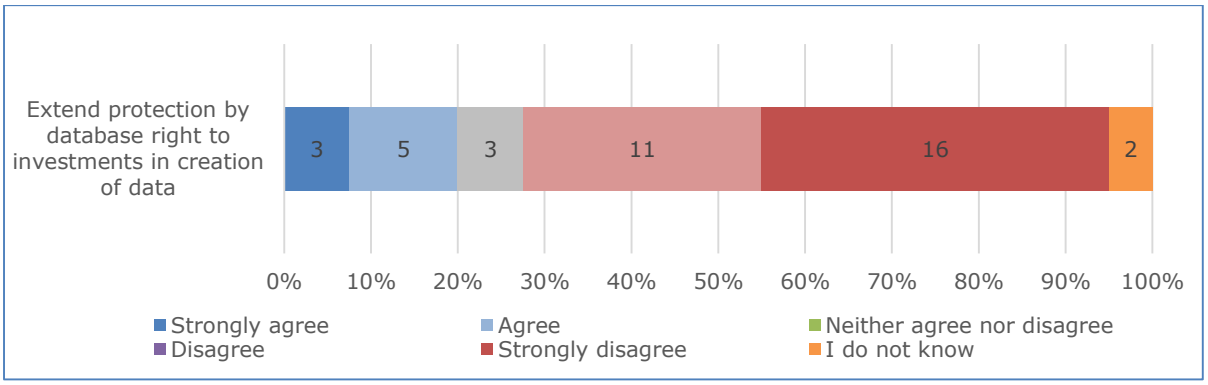
Figure 20 Expert view on the impact of uncertainties on the nature of the investment on the access and use of databases



Source: Survey conducted for this study

However, the vast majority of experts disagree that the sui generis right should extend to investment in the creation of data (see Figure 21). It should be noted that this question was only asked to experts.

Figure 21 Experts' opinion on the extension of the protection by sui generis right to investments in creation of data



Source: Survey conducted for this study

Most respondents in the questionnaire who left comments are academics or lawyers and agree with the CJEU decisions. However, a handful do not.

10.3.4 Interviews and workshop

Most interviewees who commented on this issue said that in practice it is difficult to distinguish between substantial investment in the collection of data and investment in generation of data.

Overall the picture at the workshop was similar as in the questionnaire: i) some want the status quo, others want that investment in creating data be protectable by the sui generis right, and ii) some did not find the distinction easy to make and want clarification of what created data is.

10.4 Possible reforms

While the national case law has been compliant and has not found difficulties in applying the CJEU 2004 decisions, the different views (interviews, questionnaire, public consultation) are quite polarised on the issue which is not surprising; on the one hand those who create data only and those who both create and collect, verify or present data want reversal of 2004 CJEU cases on the issue, while users want the status quo. However, the vast majority across all groups in all contributions agree that the concept should be further clarified as the law is uncertain at the moment despite the CJEU 2004 decisions.

Because the distinction between obtaining and creating is difficult[136], the European Commission could consider abolishing it but then there should be compulsory licences for spin-off databases. However, this would still mean paying for data which arguably has not needed investment, so this is not probably course of choice. This could be the case for data where it is not possible to distinguish the investment in the creation and collection, verification or presentation. It could also be further researched whether it would be a good idea to grant a property right in created data which is not spin off. Though granting such protection should be done with extreme caution if at all. See below the title

[136] A respondent to the questionnaire said that it is usually hard and thus very expensive to advise on the distinction between created and obtained data, without diving deep into the detail of how a database works. This means that clients can rarely afford it.

on data ownership and big data. This is because the decision not to protect created data avoids monopolies.

It is clear that recorded data (e.g. sensor-generated data, meteorological data) should be elucidated - is it created or collected? If the EU decides not to abolish the distinction, we would recommend this to be clarified. However, there are arguably two questions here: a question of policy (when is an incentive to invest required? when is the grant of exclusivity problematic?) and one of ontology - does a particular fact exist or was it created. In fact, it makes the existence of sui generis right turn on quasi-philosophical distinctions.[137] So either the ontological question is clarified in legislation which may well not be possible, or the legislature adopts an alternative as follows: The question is whether we can think of a better way to embody the two policy distinctions. One could be explicitly to embrace the spin off theory: require the sui generis right claimant to demonstrate investment that has been directed primarily to the creation of the database rather than some 'primary' activity. It might be that this is a better way to exclude football fixture lists: The Football Association is not creating these databases because of their value as databases, but as a framework for the primary goal - the organisation of the football matches. Therefore, spin off theory might be better.

That said, such a theory requires identification of a primary purpose, and that might not be easy. When a library creates a catalogue of all its books, is its primary purpose to log acquisitions or create a database? That said, the spin-off theory cannot do all the work. Because one might be primarily seeking to create a database, but still be the sole person with the capacity to do so, which then creates monopolies on information. Therefore, the monopolisation problems could still exist with spin off theory. These would be reduced if public organisations could not hold sui generis right. However, that is a rather drastic option and one can see there would be problems if we excluded this just because the state was involved, and public-private relations are now everywhere and highly complex. Anyway, some further consideration of compulsory licensing mechanisms would be appropriate. A possibility would be to still totally exclude databases entirely funded by public money. Those which are made with mixed funding plus sole source could then be subject to a compulsory licensing system.

On the whole, we do not think it has been established (yet) that the creation/collection distinction is so problematic that we should abandon it.

[137] Bygrave; Davison & Hugenholtz; Jacob LJ in Sportradar, rejecting this.

11 Rights and exhaustion

11.1 The law

According the CJEU, the two terms 'extraction' and 're-utilisation' must be interpreted in the light of the objective pursued by the *sui generis* right which is, according to Recital 42, to protect the database maker against acts by users which go beyond the users' legitimate rights and harm the database maker's investment[138] and according to Recital 48, to secure the remuneration of the database maker.[139] The terms extraction and re-utilisation must be interpreted widely because the legislator used the expressions 'by any means or in any form' and 'any form of making available to the public'.[140] Therefore, it is irrelevant that the act of extraction or re-utilisation is not made in order to create a competing database.[141] Because the two concepts of extraction and re-utilisation are meant to be wide, they also include any indirect taking.[142] As defined by the Directive and interpreted by the CJEU, the two rights are very close to the rights of reproduction and communication to the public in copyright law. Nevertheless, there are not the same as is explained below.

11.1.1 Extraction

Extraction includes both removal and copying of the contents. It is therefore broader than the copyright concept of reproduction. Extraction therefore includes copying, e.g. writing down by hand, typing on a computer or any machine, scanning a paper database, as well as downloading, printing or any other reproduction in whatever (permanent or temporary) form.[143] In *Apis*, the Court had to construe 'temporary' and 'permanent transfer' for the purpose of determining whether restricted acts of extraction and re-utilisation had taken place. It held that a transfer will count as a 'permanent transfer' only if the data is stored in a permanent manner in a medium other than the database for more than a limited period of time after extraction. The objective pursued by the act of transfer (e.g. creating another database whether or not competing) is immaterial for the purposes of assessing whether there has been an extraction.[144] Extraction

[138] Case C-203/02 *BHB*, para. 45.
[139] Ibid, para. 46.
[140] Ibid, para. 51.
[141] Ibid, para. 47.
[142] Ibid, para. 53; *Re a Musical Hits Database (Hit Bilanz),* Case I ZR 290/02, 21 July 2005, available on http://juris.bundesgerichtshof.de/cgi-bin/rechtsprechung/document.py?Gericht=bgh&Art=en&sid=1e4bf938b9f4bcc4ad2064183135ec6e&client=3&nr=33566&pos=0&anz=6; *Marktstudien*, BGH, 21 April 2005, I ZR 1/02 [2006] IIC 489 (reproduction of data from surveys in a magazine).
[143] See e.g. Hugenholtz, 135; confirmed by *Directmedia*, para. 60 ('The transfer of material from a protected database to another database following an on-screen consultation of the first database and an individual assessment of the material contained in that first database is capable of constituting an "extraction"'). The case concerned a database of poems. On remand in *Directmedia*, the German Supreme Court followed the CJEU on the interpretation of extraction and considered that extracting 75 per cent of the titles of poems was extracting a substantial part. See von Lewinski, 239.
[144] *BHB*, para. 47; *Directmedia*, paras 46 and 47; *Apis*, para. 55. The German Supreme Court followed this in *Re a Musical Hits Database (Hit Bilanz)*, Case I ZR 290/02, 21 July 2005 [2006] ECC 31 and *Re Database Rights*, Case I ZR 159/10, 22 June 2011 [2012] ECC 20.

does not cover mere consultation of the database.[145] This is only valid for non-electronic databases as consulting electronic ones always involve a temporary reproduction.[146] The CJEU also held that it is irrelevant for the purposes of infringement that the data extracted is rearranged in another way; there will still be an extraction.[147] Here the Court has overlooked the fact that if the substantial investment is solely in the presentation of the data, it is doubtful there could be infringement if the data extracted is rearranged in a different way. It seems that extraction also includes translation. Since the extraction can be in any form, a translation of the database's contents would be an extraction. The CJEU has not given guidance in this respect; it just held that the term 'extraction' is wide. However, certain commentators disagree and believe that if extraction includes translation, it creates a new right not envisaged in the Directive.[148]

11.1.2 Re-utilisation

Re-utilisation is also a broad concept encompassing all forms of making the database available to the public. The communication can be made on-line (e.g. on a website) or on an analogue medium, by wire or wireless means. It can be direct or indirect.[149]

11.1.3 Exhaustion

As in copyright law, it is clear that the exhaustion principle does not allow the reproduction of data. Online electronic databases cannot benefit from the exhaustion principle. The database must have been sold. If it is given free of charge, the principle of exhaustion does not apply. The CJEU held this to be so in the field of trademarks in *Peak Holding v Axolin-Elinor* and later confirmed it in *L'Oréal v eBay*.[150] There is no reason why these decisions would not apply here by analogy as the term used in Article 7(2)(b) is 'sale'.

11.1.4 Public Lending

Contrary to copyright law, public lending is not a restricted act. Thus, a public establishment such as a library can freely lend a database solely protected by the *sui generis* right. Note that the wording of the Directive is clumsy: an act of public lending cannot be an extraction anyway.[151] It can only be an act of re-utilisation.

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[145] *BHB*, paras 54–55; *Directmedia*, para. 53.

[146] *Directmedia*, para. 53.

[147] Ibid, para. 39; *Apis*, para. 55. The German Supreme Court followed this in *Re a Musical Hits Database (Hit Bilanz)*, Case I ZR 290/02, and *Re Database Rights*, Case I ZR 159/10, 22 June 2011 [2012] ECC 20.

[148] Karnell, 997.

[149] *BHB*, para. 67.

[150] Case C-16/03 *Peak Holding v Axolin-Elinor* [*2004] ECR* I-11313 and Case C-324/09 *L'Oréal v eBay* [*2011]* ETMR 52.

[151] A. Lucas and H.J. Lucas, *Traité de la propriété littéraire et artistique*, 2nd ed., Litec, Paris, 2001, 657, n. 835-3; P. Gaudrat, 'Loi de transposition de la directive 96/9 du 11 mars 1996 sur les bases de données: les caractères du droit *sui generis*', (1999) *RTD com* 52(2), 398, 410.

11.2 Implementation in the Member States

Statutory law

According to expert sources, the picture is rather heterogeneous on the concepts of extraction and reutilisation and of exhaustion:

- It seems that some 17 Member States namely Belgium, Cyprus, Czech Republic, Estonia, France, Greece, Germany, Ireland, Luxembourg, Latvia, Bulgaria, Croatia, Malta, Portugal, Romania, Slovakia and United Kingdom have used the exact text or very similar wording to the text of the directive.
- Some use the copyright terminology to refer to "extraction" and "re-utilisation" (Denmark, Finland, Slovenia, Austria, Germany, Italy and Hungary). However, in Austria, temporary extraction and reutilization is not expressly reserved to the database maker.
- As to public lending, it seems like Italy has provided for a narrower provision as "loans from libraries and record libraries belonging to the State or to public authorities, made exclusively for purposes of cultural promotion and personal study should not be considered as an extraction nor as a re-utilization." Public lending is not restricted in the directive to cultural promotion or personal study.

Regarding exhaustion, expert sources indicated the following:

- For 14 Member States, consulted experts did not report on any peculiarities regarding the way the exhaustion provision relating to the sui generis right was transposed, namely Austria, Belgium, Bulgaria, the Czech Republic, Cyprus, Estonia, Finland, France, Germany, Italy, Greece, Ireland, Luxembourg, Slovenia and Slovakia.
- Lithuania, Hungary and Latvia make the exhaustion principle apply even in case of transfers other than sales.
- Malta and Romania seem only to provide only for domestic exhaustion.
- Others are not fully clear on the geographical extent of the exhaustion: Croatia states that "the exhaustion of the distribution right extends only to the resale".
- Portugal applies the exhaustion rule also to on-line distribution and other forms of transmission. This seemingly contravenes, according to expert sources, recital 43 of the Directive, which makes it clear that in the case of on-line transmission, the right to prohibit re-utilisation is not exhausted either as regards the database or as regards a material copy of the database or of part thereof made by the addressee of the transmission with the consent of the right holder.

11.3 Case law

The national case law on these notions is not abundant but is compliant, e.g. Court of Milan, 4 June 2013, no. 7808 (broad definition of extraction, the nature and the form of the operating mode irrelevant), Court of Catania, 8 January 2001 (different classification and categorization of elements copied from the database irrelevant to determine breach of sui generis right), German Supreme Court, 25 March 2010 (broad interpretation - reuse of a database where the defendant sent substantial parts of the claimant's database to individual users. If individual users can constitute a public, then the defendant infringes). On exhaustion, the German Supreme Court has confirmed that if there is extraction of a substantial

part of the database, there is no exhaustion as exhaustion covers the right of distribution and not of extraction.[152]

11.4 Findings of the study

In the contributions to the public consultation, questionnaire, workshop and interviews there does not seem to have much complaint on the rights themselves. However, there was a general agreement at the workshop and also among some interviewees that the notions of extract and reutilisation should be clarified.

11.5 Possible reform

The Commission may want to consider aligning the rights definition for the sui generis right with those used in copyright law, as this would (generally) simplify matters and people could assume copyright case-law applied.

[152] *Marktstudien (Market Surveys),* 21 April 2005, Case I ZR 1/02 [2005] GRUR 940; [2006] IIC 489.

12 Infringement: substantial part

12.1 The law

The Directive does not define the terms "substantial part", "insubstantial part", "quantitative" and "qualitative". The CJEU interpreted these four terms in 2004.[153] It held that the assessment in qualitative and quantitative terms of whether a part is substantial must refer to the investment in the creation of the database and the prejudice caused to that investment by the act of extraction or re-utilisation.[154] In other words, there must be a link between the part extracted or re-utilised and the investment made by the database maker in that part. Thus, if the user takes a substantial part which does not represent the substantial investment of the database maker, the investment is not harmed and there cannot be infringement, even if there was an act of extraction or re-utilisation. A 'substantial part evaluated quantitatively' refers to the volume of the data extracted or re-utilised from the database and it must be assessed in relation to the volume of the contents of the whole of the database.[155] The expression 'a qualitatively substantial part' refers to the scale of investment in the obtaining, verification or presentation of the contents of the subject of the act of extraction and/or re-utilisation, regardless of whether that subject (or part) represents a quantitatively substantial part of the contents. This is because a quantitatively negligible part may represent in terms of obtaining, verifying or presenting the contents, a significant human, technical or financial investment.[156] The intrinsic value of the materials affected by the acts of extraction or re-utilisation does not constitute a relevant criterion for the assessment of whether a part is substantial.[157] The Court also ruled that a part which does not fulfil the requirement of a substantial part is automatically an insubstantial part.[158] The CJEU has so far not given guidance as to what is a quantitatively substantial or insubstantial part in terms of percentages.

12.2 Implementation in the Member States

12.2.1 Statutory law

Most Member States have not defined the term "substantial part" (Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain) except, for most, to repeat that it can be done qualitatively or quantitively. Ireland defines substantial just a little further: "Substantial", in relation to the investment, extraction or re-utilisation, means substantial in terms of quantity or quality or a combination of both. According to expert sources, Sweden has not expressly incorporated a definition of "a substantial part" into the respective relevant law (though it may be that the courts would interpret the legislation to give effect to the Directive).

[153] *BHB*, paras 68ff.
[154] Ibid, para. 69.
[155] Ibid, para. 70. See also Speyeart, 174.
[156] Ibid, para. 71.
[157] Ibid, para. 72.This criterion had been criticised, see Lucas and Lucas, 658, n. 835–4 citing Gaudrat, 401–2.
[158] *BHB*, para. 73.

12.2.2 Case law

Case law before 2005 held that:

A quantitatively substantial part consists of:

- 50.1% of elements (German court)
- 20% (French court).

A qualitatively substantial part if the data extracted would be sufficient to diminish the value of the database covered by the *sui generis* protection; this would happen when the extraction would be sufficient to be defined as a database in itself as it recreates the organization/coordination structure of the database (Italian court).

Case law after 2005 held that:

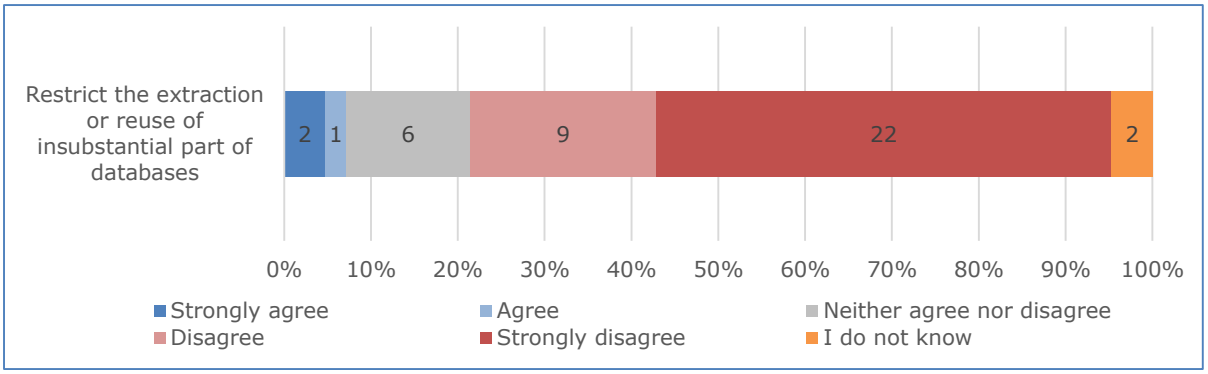
- A 6th of a database is a substantial part (Hungarian court, 2009)
- Extraction of one element of a database is not a substantial part (Italian court, 2014)
- Translating data from a system (which had become a de facto standard) to another system was not held to be an infringement of the sui generis right (German Federal Court of Justice, 2006).
- Synchronizing/updating one's database by using a competitive database is infringing (German Federal Court of Justice, 2009).
- The meaning of "significant investment" does not automatically equate with "significant part of the database content" as essentially designating the same part of the database. Part of the contents of the database can be considered significant if unauthorized use threatens *serious* damage due to the amortization of expenses incurred by the producer. For the use of an insignificant part to be considered as infringing the sui generis right, it must be contrary to normal use and, at the same time, cause unjustified violation of legitimate interests of producers (Polish court, 2012).
- A great amount of elements were copied and the court held there was infringement according to the Swedish act but also according to the directive's art. 7 (substantial part) despite the fact that Sweden did not implement it (Swedish court, 2015).

12.3 Findings of the study

All interviewees, the vast majority of respondents to the public consultation leaving comments and some participants at the workshop agree that the concept is vague and needs clarification. Some noted that the concept entails that some data included in dynamic databases can be substantial one day but not the next and vice versa. In some cases, substantial can mean a single item of data. As some respondents to the questionnaire well encapsulated the vague notions of substantial and insubstantial parts make it hard for both database owners and users to know what is allowed and what is not, which increases legal costs.

The experts replying to the questionnaire agree in majority not to restrict the use of insubstantial parts further (see Figure 22).

Figure 22 Experts' opinion on restricting the extraction or reuse of insubstantial parts of databases



Source: Survey conducted for this study

12.4 Possible reforms

The vast majority across groups of respondents agree that the notions of substantial part and insubstantial part are still unclear. While the Member States statutory laws in the main follow the wording of the directive, the case law shows a rather varied application of the notion of substantial part, both evaluated quantitatively and qualitatively. This is no doubt owed to the vagueness of the terms. It is surprising that the decisions post 2005 do not link the concept of substantial part to the concept of substantial investment as the CJEU clearly stated in the *BHB* and *Fixtures marketing* decisions.

Clarification of the concepts therefore seems desirable. It would be good to integrate, in the text of the directive, the case law of the CJEU which links the (qualitative or quantitative) substantial part to the (qualitative or quantitative) substantial investment so that an infringement occurs when a part representing the substantial investment is extracted or reutilised.

13 Repeated and systematic Extraction of Insubstantial Parts (Including Web Scraping)

13.1 The law

Article 7(5) reads:

> "*The repeated and systematic extraction and/or re-utilization of insubstantial parts of the contents of the database implying acts which conflict with a normal exploitation of that database or which unreasonably prejudice the legitimate interests of the maker of the database shall not be permitted*."

The CJEU has interpreted the notion of repeated use of insubstantial parts in *BHB* stating that "the prohibition laid down by Article 7(5) of Directive 96/9 refers to unauthorised acts of extraction or re-utilisation the cumulative effect of which is to reconstitute and/or make available to the public, without the authorisation of the maker of the database, the whole or a substantial part of the contents of that database and thereby seriously prejudice the investment by the maker". As the CJEU said: "The purpose of article 7(5) of the Directive is to prevent circumvention of the prohibition in article 7(1) of the Directive. Its objective is to prevent repeated and systematic extractions and/or re-utilisations of insubstantial parts of the contents of a database, the cumulative effect of which would be to seriously prejudice the investment made by the maker of the database just as the extractions and/or re-utilisations referred to in article 7(1) of the Directive would".[159] In other words, the insubstantial parts must altogether represent a substantial part or the whole database for Article 7(5) to be infringed. According to some, the Court must also have meant that it is irrelevant if all the insubstantial takings constituting a substantial part are not thereafter retained or being used.[160]

Reutilization also includes the activity of so-called dedicated meta-search engines, which scrape specific web sites (often databases) according to users' queries and presents all the hits in one place so that users no longer need to consult the database as its contents are available in real time through the meta search engine. The CJEU held in *Innoweb v Wegener* (Case C-202/12) that such activity is a reutilization because it **"**is not limited to indicating to the user databases providing information on a particular subject" but it "provides any end user with a means of searching all the data in a protected database and, accordingly, […] provide[s] access to the entire contents of that database by a means other than that intended by the maker of that database, whilst using the database's search engine and offering the same advantages as the database itself in terms of searches". A dedicated meta search engine re-utilises the whole or a substantial part of the contents of a database and thus infringes the *sui generis* right where it:

- "provides the end user with a search form which essentially offers the same range of functionality as the search form on the database site;

[159] *BHB*, para. 86. See also paras 87–88.

[160] T. Aplin, *Copyright Law in the Digital Society, The Challenges of Multimedia*, Oxford, Hart Publishing, 2005, 146.

- 'translates' queries from end users into the search engine for the database site 'in real time', so that all the information on that database is searched through; and
- presents the results to the end user using the format of its website, grouping duplications together into a single block item but in an order that reflects criteria comparable to those used by the search engine of the database site concerned for presenting results".

13.2 Implementation in the Member States

13.2.1 Statutory law

17 Member States have implemented article 7(5) quasi word for word: Austria, Belgium, Bulgaria, Croatia, Cyprus, Denmark, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Malta, the Netherlands, Poland, Portugal, Romania, Spain and Slovakia. The Czech Republic's act states "Repeated and systematic extraction or re-utilization of insubstantial parts of the content of the database *and any other acts that are not usual and adequate* and that adversely affect the legitimate interests of the maker of the database is not permitted." In Ireland and Bulgaria, the adverb "unreasonably", which qualifies the verb "prejudices" in Article 7.5, does not appear, according to expert sources, as an explicit text in the implementing provision.

In France, the act states that "the producer may also prohibit the repeated and systematic extraction or reuse of insubstantial parts, qualitatively or quantitatively, of the contents of the database *when such operations manifestly go beyond the conditions of normal use of the database*". The UK goes by "the 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".

Finally, in some countries (Estonia, Finland, Slovenia, Sweden), according to expert sources, art. 7(5) seems to have not been implemented explicitly.

13.2.2 Case law

The case law post 2005 is not abundant but is interesting.

In 2013, a court in Rome, applied art 7(5) holding that even if each individual extraction by the defendant could not be considered as a substantial part of the database, the repeated violations together would amount to a breach of the rules in subject.

There were three cases in Germany:

1. The Federal Court of Justice held that unlicensed online transfer of individualized toll data from the toll databank to customers of a toll system by a third party was infringement, despite the fact that each single customer had access to the individualized personal data concerning himself, as long as the entire group of users formed a relevant 'public' (*Autobahnmaut*, 2010). It is unclear whether this was decided on the basis of art. 7(5).
2. Later in 2010, the Federal Court of Justice decided that the sui generis right is infringed by the repeated and systematic extraction and/or re-utilization of data, even if taken together these did not take a substantial part, on the condition that such use was however ultimately (ie in the

future) aimed at taking a substantial part of or even the whole database and that it would therefore have to be expected that it would later add up to use of a substantial part (*Zweite Zahnarztmeinung II*).

3. In 2011, the German Supreme Court had to decide a case with similar facts to the *Innoweb* case.[161] The claimant had a car-dealing website. The defendant sold software which enabled users to search several car-dealing websites. The user searched for at least the make and model of the car and after having trawled the car-dealing websites, the software listed the search results which included some of the car's details. The software also provided a link to the car-dealing websites, including that of the claimant. The latter sued for infringement of the *sui generis* right, claiming that the software allowed extraction of a substantial part of the contents of its database. The German Supreme Court held that when performing searches, users did not copy a substantial part of the database. Even if they copied some results of searches permanently in their computers, users only extracted insubstantial parts and even if it was repeatedly and systemically, these insubstantial parts did not constitute a substantial part. When searching the database, it was necessary to extract insubstantial parts to display the content of the database on the screen. This did not constitute infringement. Also, users did not infringe when they individually extracted insubstantial parts, even if taken together all these parts represented a substantial part. This is because users did not collaborate. Several, individually permissible uses by individual users could not be totalled up to form an aggregate unauthorised use. Thus, the software provider was not liable for infringement of the sui generis right.

In 2005, a Swedish court expressed that Article 49 of the copyright act should be interpreted in light of Article 7.5 Directive. In this case, the court, however, found that the defendant's repeated use of insubstantial parts of the fixtures had not had such a cumulative effect, which aims to recreate or make the whole or a substantial part of the content of the database.

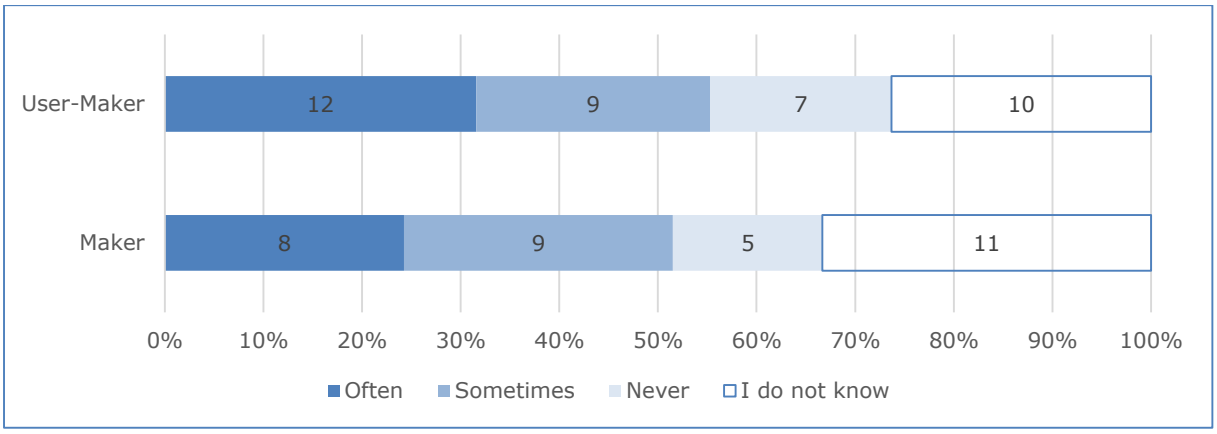
13.3 Findings of the Study

13.3.1 Questionnaire

As it can be observed in Figure 23, more than the half of the database makers and user-makers participating in the survey of this study have reported that their databases have been subject to web scraping. Concerning the use of web scraping, only 29% of users and 42% of user-makers use it.

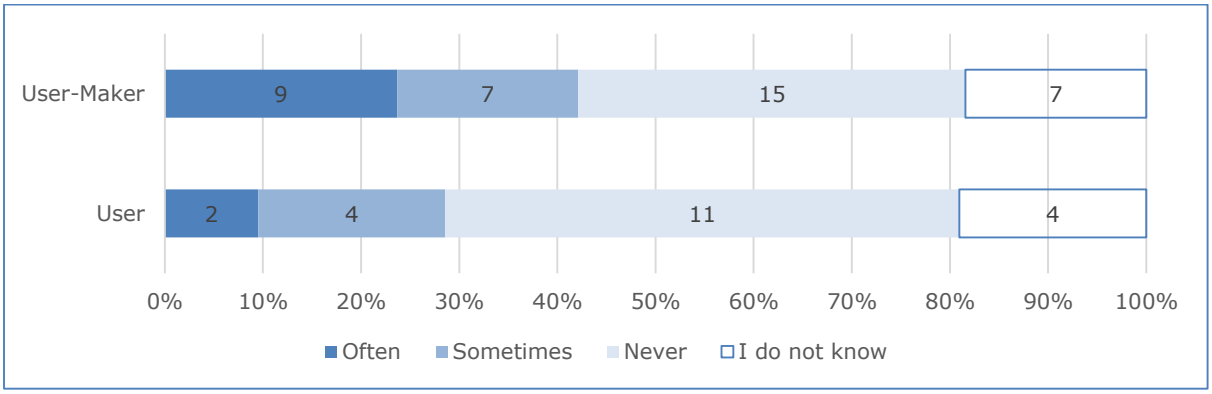
[161] *Re Database Rights*, Case I ZR 159/10, 22 June 2011 [2012] ECC 20.

Figure 23 Web scraping practices, as % of respondents whose database are subject to web-scraping, makers and user-makers



Source: Survey conducted for this study

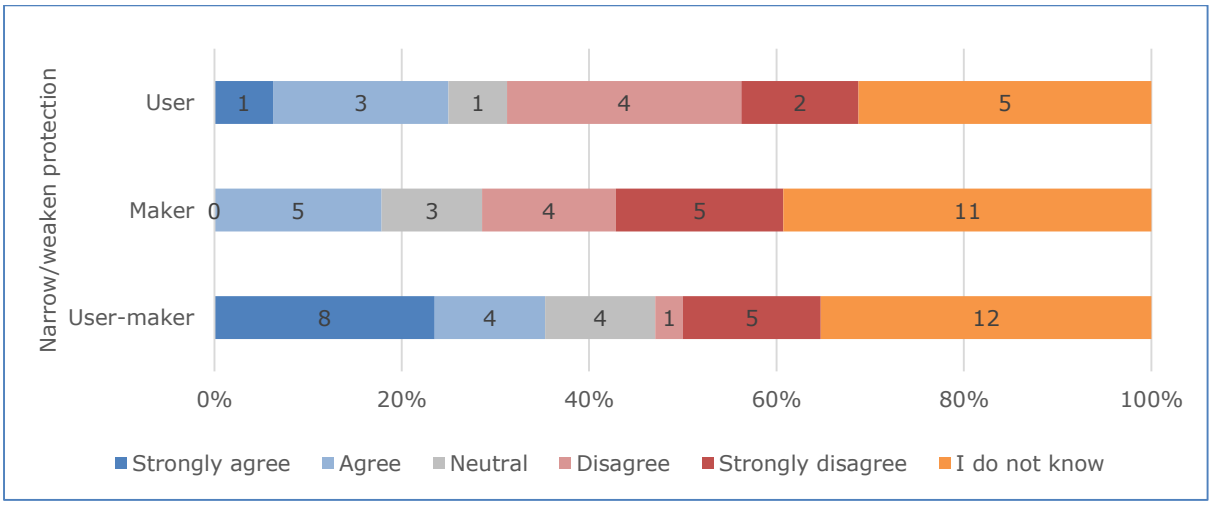
Figure 24 Web scraping practices, as % of respondents who declared web scraping the databases they use



Source: Survey conducted for this study

The proportion of participants who agree to narrow/weaken database proportion is comparable to those who disagree (see Figure 25). User-makers constitute the larger proportion of individuals who would agree to narrow/weaken database protection (35%), followed by users (25%) and makers (18%).

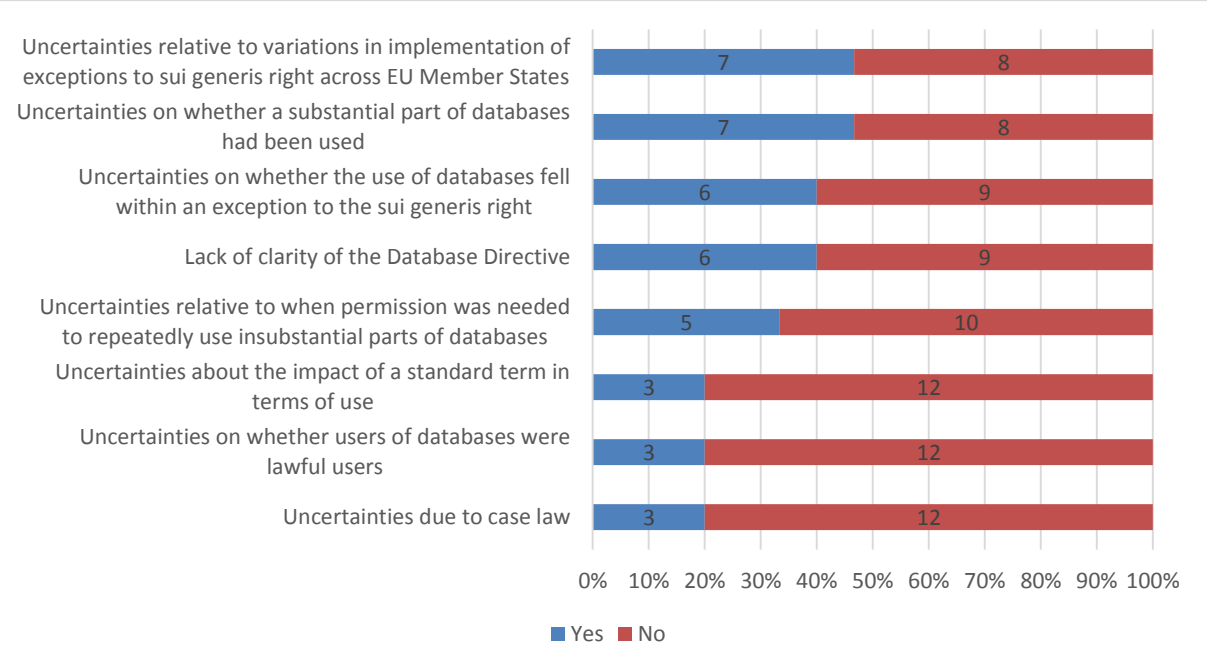
Figure 25 Stakeholders' opinion on whether database protection should be narrow/weaken



Source: Survey conducted for this study

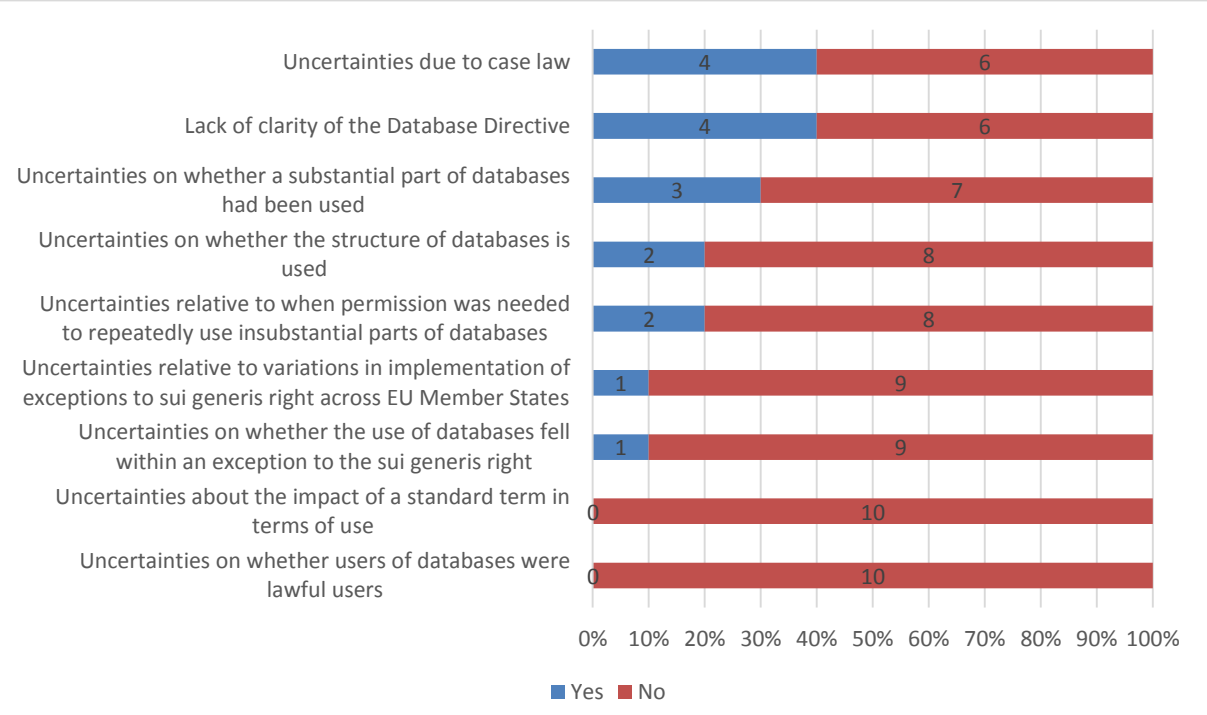
The following figures provide an overview on the barriers that user-makers, makers and users face to determine whether their sui generis right has been infringed (see Figure 26 and Figure 27).

Figure 26 User-makers' opinion on the barriers to determine when their sui generis right has been infringed



Source: Survey conducted for this study

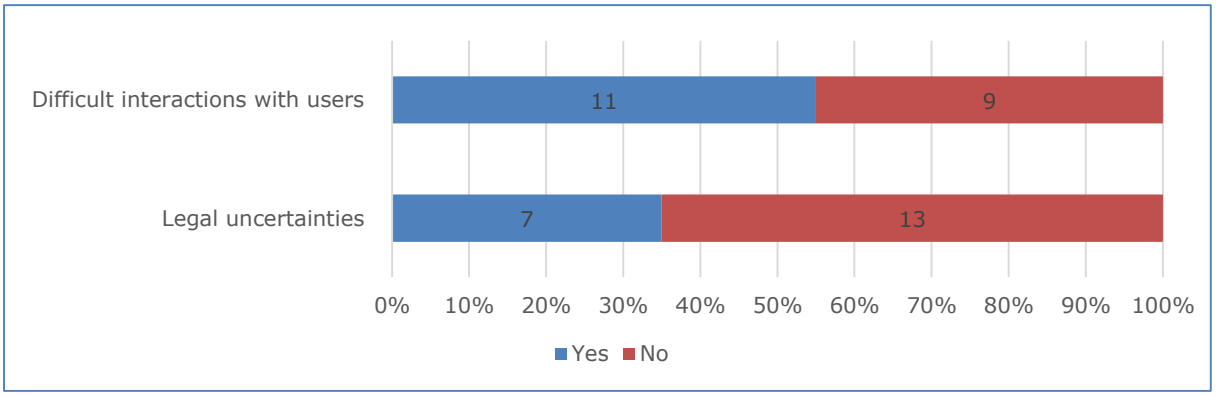
Figure 27 Makers' opinion on the barriers to determine when their sui generis right has been infringed



Source: Survey conducted for this study

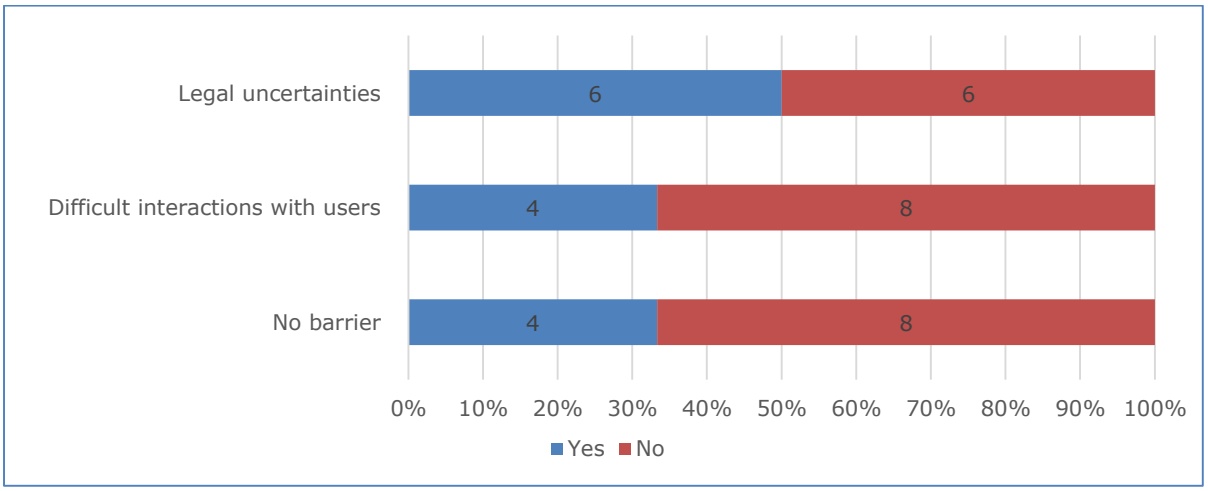
An overview on the barriers to reaching licensing agreements for databases rights or copyrights in the databases of users-makers and makers is presented in Figure 28 and Figure 29.

Figure 28 User-makers' opinion on the barriers to reach licensing agreements for databases rights or copyrights in their databases



Source: Survey conducted for this study

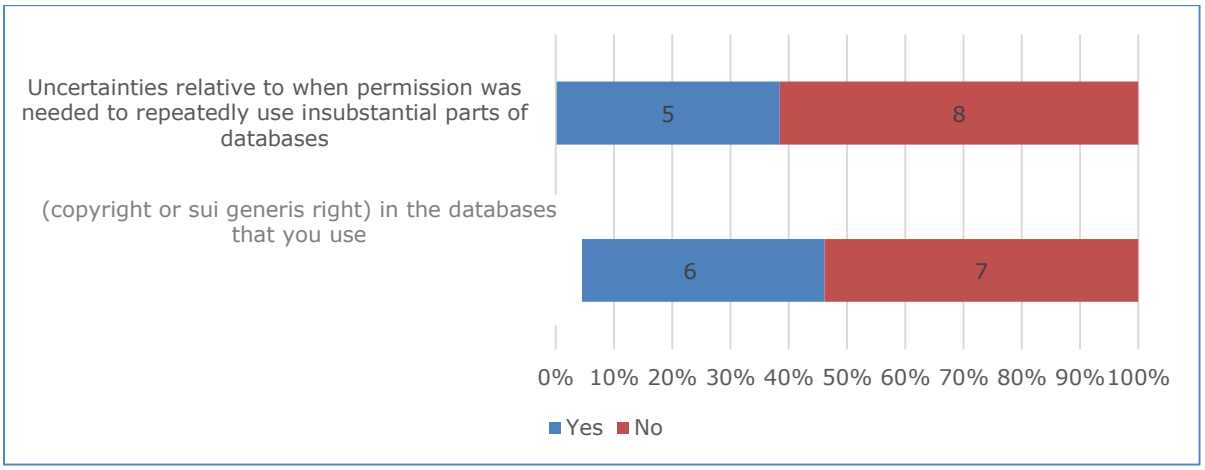
Figure 29 Makers' opinion on the barriers to reach licensing agreements for databases rights or copyrights in their databases



Source: Survey conducted for this study

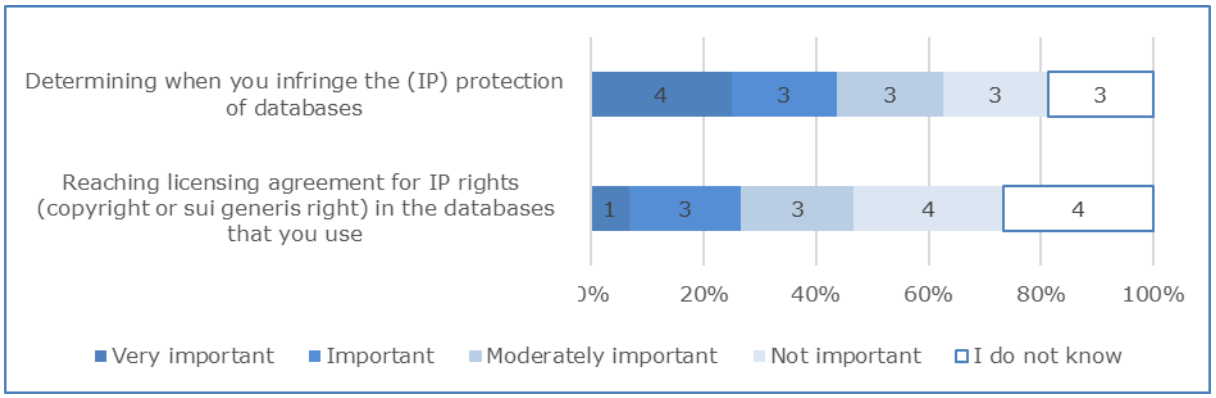
Figure 30 presents users' opinion on the uncertainty to determine whether the databases they use are protected through copyright or sui generis right. The importance of their barriers to determine infringement and reaching agreements for IP rights is shown in Figure 31.

Figure 30 Users' opinion on the uncertainties to determine whether the databases they use are protected



Source: Survey conducted for this study

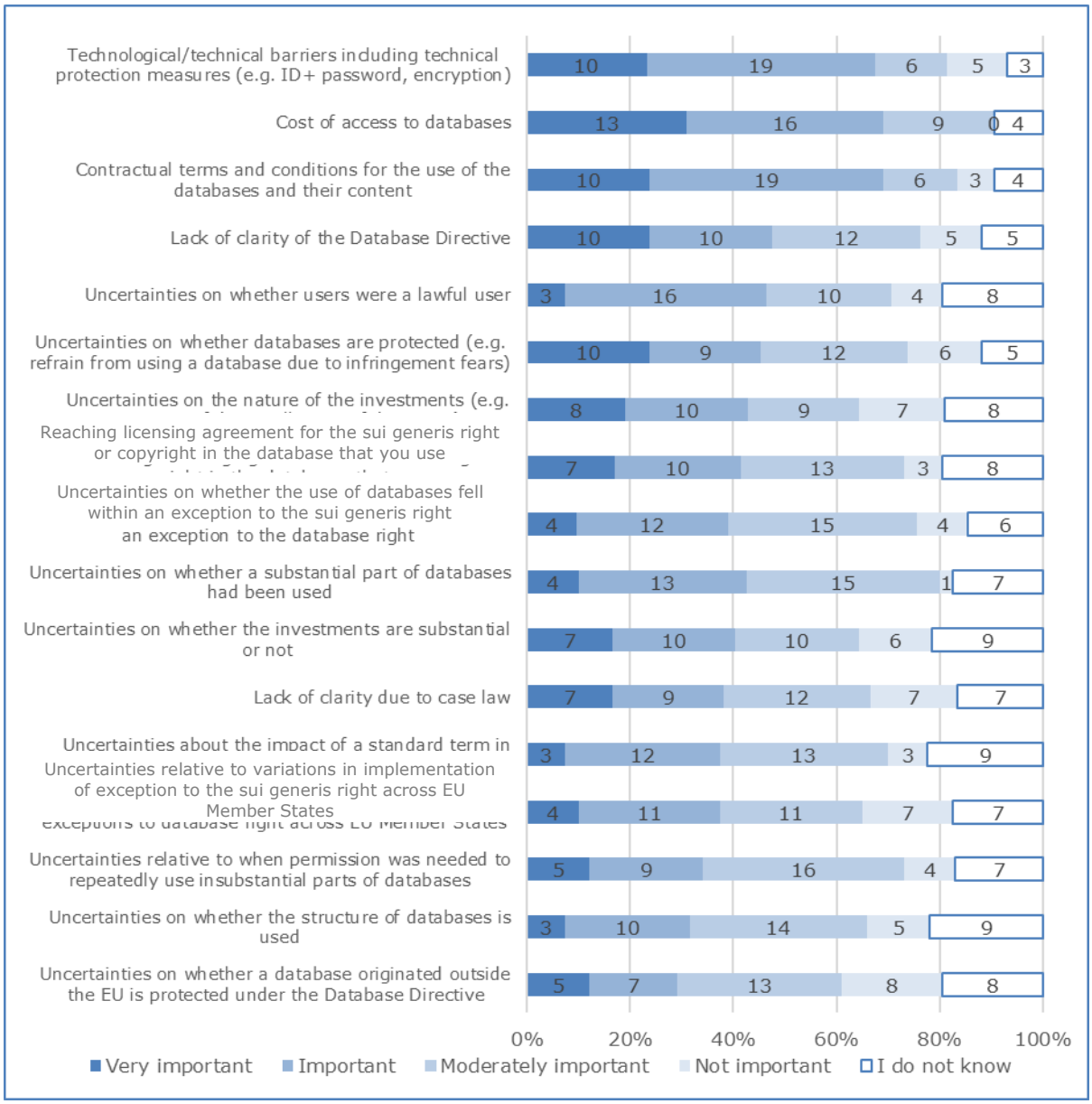
Figure 31 Users' opinion on the importance of the barriers to determine infringement and researching agreements for IP rights



Source: Survey conducted for this study

The opinion of experts participating in the survey on barriers to access and use of databases is presented in Figure 32.

Figure 32 Experts' opinion on the importance of different barriers to the access and use of databases



Source: Survey conducted for this study

One respondent to the questionnaire thought that automated access to publicly accessible database (e.g. by search engines, meta-search engines, and the like) should be fully assimilated to lawful individual access. Accordingly, any activity carried out by means of automated access should be regulated by unfair competition laws, not by copyright or sui generis right.

13.3.2 Workshop

At the workshop, some wanted more protection against scraping while others mentioned that there is still high uncertainty about what is permissible and impermissible scraping.

13.4 Potential reforms

Scraping is done reasonably often by either users or user-makers. There still seems to be some uncertainty about what is legitimate 'scraping'. The case law of the CJEU clearly links the insubstantial parts to a substantial part and therefore to the harm to the substantial investment of the right holder. However, arguably the *Innoweb* decision has thrown some doubt in relation to what kind of scraping is allowed. A legislative response would thus be welcomed. While the rationale behind the CJEU's decision in *Innoweb* is understandable, namely to protect the constitution of small, start-up, databases, meta search engines are extremely useful tools for consumers. Normally, these meta search engines should be able to obtain a licence from the smaller databases in order to create their own databases, i.e. through licensed scraping. However, a problem could arise if the smaller databases refuse to licence their use/negotiations break down. It might be good to provide for compulsory licences in certain cases, especially in case of sole source databases, to avoid this problem. Indeed, data from the questionnaire indicates that in many cases there are difficulties to reach agreement to licence use of databases and more for user-makers than for makers. Experts in the questionnaire also see the vagueness of the notions of substantial part and repeated and systematic use of insubstantial parts as important barriers to the access and use of databases, even if a small majority of users do not.

14 Article 8: Rights and Obligations of Lawful Users

14.1 The Law

Article 8 of the Directive is entitled 'rights and obligations' of lawful users. It is a strange provision, sitting between the definition of the maker's rights, and the exceptions (Art 9). Its interpretation has caused a lot of confusion.

On its face, Article 8 appears to offer lawful users freedom to extract or re-use insubstantial, but as we have already observed, that freedom is in fact available to all users under Article 7(1), as the sui generis right is only infringed by the extraction or re-utilisation of substantial parts, or (under Article 7(5)), the repeated and systematic extraction and/or reutilization of insubstantial parts).[162] Derclaye therefore suggests that the provision is "redundant and misleading".[163] In fact, Article 8(1) seeks to secure a different goal entirely, namely to ensure that in the case of the lawful user, this right/freedom is not capable of being compromised by contractual terms.[164] This result is achieved in Article 15, which states that any contractual provision contrary to Article 8 shall be null and void.

The effect seems to be to secure to a "lawful user" protections that are not available to just any user. As we noted in the discussion of Article 6, there is some uncertainty as to the scope of the notion of lawful user, and we suggested there that it includes at least licensees (including users of publicly accessible databases made available on the Internet) and lawful acquirers of databases (for example, purchasers of second-hand CD-ROMS that carry databases). There was some uncertainty as to whether it would include anyone else making "lawful use", such as someone taking advantage of an exception. With sui generis right, this latter option is complicated by the fact that exceptions in Article 9 are only available to someone who is a "lawful user", thus presenting an obvious circularity (in this context).

Article 8(2) and 8(3), though presented as freestanding provision, can only make sense as qualifications of the lawful users contractually unimpeachable right to use insubstantial parts of a database.

Article 8(2) states that a lawful user "may not perform acts which conflict with normal exploitation of the database or unreasonably prejudice the legitimate interests of the maker of the database." If this were a free-standing obligation, it would subject a lawful user to a more restrictive regime than a (non)-lawful user, as the rights conferred on the database maker by Article 7 do not extend this far. Indeed, Article 7(5) prohibits only "repeated and systematic extraction and/or reutilization of insubstantial parts" where the effect is a "conflict with a normal exploitation of that database or which reasonably prejudices the legitimate interests of the maker of the database." It would be bizarre if the lawful user was liable in any case of such conflict/prejudice, but the non-lawful user only if the

[162] It is arguable that Article 8(1) might effectively authorise extractions/reutilisations that, absent Art 8(1), might violate Art 7(5). Von Lewinski, 767, [9.8.6]. See also, *British Horseracing Board*, Case C-203/02, [60].
[163] Derclaye, 127 (citing Havelange and Mallet-Poujol).
[164] Not just those of the maker, but also subsequent rightholders: recital 49.

taking was both repeated and systematic and caused such conflict or prejudice! Not surprisingly, article 8(2) has been criticised as "vague and poorly drafted".[165]

Consequently, Article 8(2) must be understood as a limitation on the effect of the contractual inviolability of the user's right identified in Article 8(1). The lawful user thus may be prohibited by contract from extracting and utilising insubstantial parts if the maker can show the relevant prejudice or conflict.[166]

Article 8(3) adds that a lawful user of a database which is made available to the public in any manner may not cause prejudice to the holder of a copyright or related right in respect of the works or subject matter contained in the database. Again, on its face, Article 8(3) seems unnecessary, in the light of Article 7(4) (third sentence) and the "without prejudice" clause in Article 13. Article 7(4) states that protection under Article 7 "shall be without prejudice to rights existing in respect of its contents."[167] Moreover, Article 13 states that the Directive should be "without prejudice to provisions concerning in particular copyright, rights related to copyright or any other rights or obligations subsisting in the data, works or other materials incorporated in a sui generis right". Either way, the users right recognised in Article 9(1) therefore does not entitle the user to carry any acts that breach copyright or related rights in database contents. Perhaps more bizarrely, Article 8(3) would go further than Article 13, preventing any uses that cause prejudice/conflict with normal exploitation of such rightsholders, even if those acts were permissible under the relevant regime.[168]

Derclaye sees Article 8(3) merely as "a reminder that copyright and related rights law must be respected." But, as an exception to Article 15, Article 8(3) can also be understood as allowing contractual provisions to be included that purport to prevent lawful users from using databases in a way the prejudices/conflicts with the interests of these rightsholders.

Article 8(2) and (3) are particularly difficult to understand, while if Article 8(1) is intended as regulating contracts, it should be explicitly stated in this way. Although the drafting of Article 8 is therefore indefensible, its operation does not seem to have been significant. If it decides to retain the sui generis right the Commission could consider deleting article 8(2) and (3).

That said, rightsholder respondents to the EC's public consultation indicated that some of them valued Article 8(2) and 93). Following what appeared to be a template response created by the Federation of European Publishers, a number of responses stated:

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[165] Derclaye. 127 (citing Lucas and Havelange), 128 (setting out various interpretations)

[166] Von Lewinski, 768, [9.8.6]. The implication seems to be that contractual clauses can be more restrictive than Article 7(5).

[167] It might be said that Art 8(3) clarifies that the user right should not prejudice the interests of those holding rights in the contents, whereas Art 7(4) indicates that the database maker's rights should not cause such prejudice. Either way, the drafting of the Directive seems unnecessarily unclear and potentially repetitive, probably as a result of the radical transformation it underwent in the meetings of the Council Working Party between the Proposal and amended Proposal and the Common Position.

[168] On its face this seems unlikely, because Article 5(5) of the ISD, Art 10(3) Related Rights Dir, Art 6(3) Software Directive. However, there may be other rights in national laws, such as related rights in photographs, than are not subject to these tests.

Art. 8.2 and Art. 8.3 provide two important safeguards, namely prohibiting lawful users of a database from performing acts which conflict with the normal exploitation of the database and prejudice the legitimate interests of the maker of the database and prohibiting users from to causing prejudice to the holder of a copyright or related right in respect of the works or subject matter contained in the database. However, there can be difficulties in case of academic free use. The current Database Directive should prevail and prevent substantial academic reuse of the material.[169]

Data mining (academic or other) should be subject to the condition of lawful access and the non-for-profit purpose of the researcher. A clear acknowledgement that the identification of a substantial part of a database can be based on qualitative as well as purely quantitative criteria (in addition to case law, cf. *Directmedia Publishing* C-304/07) would be welcome.

14.2 Implementation in the Member States

Country	Interpretation
Italy	The concept of "lawful user" is referred to in Art. 64.2 sexies. The lawful user is considered as anyone who has acquired from the right holder a database whose initial release or reproduction took place on the initiative or with the consent of the author, but with the imposition of subjective or territorial constraints to alienation. In this respect issues usually arise not for who has obtained the work directly from the right holder (provided that the contract defines the legitimate use) but for whomever has acquired the work from third subjects. Firstly, the rights of said third party may not be determined with certainty. Secondly, the conditions of legitimate use agreed to by the right-holder would not bind third parties. The **Court of Bologna** further specified, with decision **9 February 2009**, the legitimate use concept clarifying that this cannot refer to instances in which the extraction was made for the purpose of a new database to be placed on the market.
Poland	Art. 7 of APD provides the right of extraction and re-use of insubstantial part of database for "a user who lawfully uses such database", while subsequent art. 8 which provides for exceptions to sui generis right does not define lawful user, i.e. implicitly **authorizes any user** who satisfies the conditions set out in this article to benefit from these exceptions.

Therefore, the literature proposes that lawful user should be considered a person who meets at least one of the following criteria: owns a copy of the database, has obtained such a copy under a rental or lending agreement, is authorized to use the database on the basis of a contract with database producer or other person authorized by database producer, operates the database which was made available by the producer on computer network for common use (implicit license), or operates the database within the scope of "private use".

Some controversy arises from the ambiguity of definition of concept of "lawful user" (as already discussed) especially in the context of database sublicensing,

[169] Federation of European Publishers, Jessica Saenger; Verlag Dr. Otto Schmidt KG; Association des Éditeurs Belges; The Swedish Publishers Association; Ga Zannos from the Greek CMO, OSDEL SYN.P.E.

i.e. when a person is granted further licence from database licensee. Most scholars point out that in the light of exhaustion of right, such sublicensee should be considered lawful user.

15 Article 9: Exceptions to the Sui Generis Right

15.1 The Law

Article 9 provides for three optional exceptions: Member States can choose whether or not they implement them in their national laws. The exceptions to the sui generis right are virtually identical to those that are permitted in relation to copyright in Article 6(2)(a)-(c). The most important difference is that the flexibility to maintain other exceptions 'traditionally authorized' is not available in relation to sui generis right.

Article 9(a) allows Member States to permit extraction for private purposes of the contents of non-electronic databases. This corresponds with the option offered to Member State to offer an exception to infringement of copyright in the database (Art. 6(2)(a)). As a result, the exception only applies to a non-electronic database. Private reproduction or extraction is not defined. There is no restriction as to where the act occurs. So a user does not have to exercise its exception in its home but could do so for instance in a library.

Article 9(b) allows Member States to offer teaching and research exceptions in relation to extraction from protected databases. There must be an illustration for teaching or scientific research, the source must be indicated (which in the context of databases must mean at least the name under which it has been made available by the maker or publisher – for example, the Gale Directory of Databases) and the illustration for teaching or research must not be for a commercial purpose. The condition of non-commercial purposes means that the research cannot be undertaken by a private company[170] because by definition it has a commercial purpose. The situation of an educational establishment is less clear. Some will have a commercial purpose, some not. Some will have mixed commercial and non-commercial purposes, making the demarcation between commercial and non-commercial teaching and research difficult if not impossible.[171] A charity should be able to benefit from the exception as it has a non-commercial purpose.

The terminology of the exception – and criticisms thereof – were discussed in the consideration of article 6 (above).

Derclaye argues that the limitation to extraction renders the exception virtually unusable:

> "*The corresponding exception in the sui generis right chapter is therefore far more restricted and in effect quasi unusable since to teach and research one almost always has to communicate to the public*."[172]

Article 9(c) parallels Articles 6(2)(c) and allows for extract and re-utilise of a substantial part of the database for purposes of public security or an

[170] A. Strowel, 'La loi du 31 août 1998 concernant la protection des bases de données', (1999) Journal des Tribunaux, 297, 301.

[171] Davison, 80; U. Suthersanen, 'A comparative review of database protection in the European Union and the United States', in F. Dessemontet and R. Gani (eds), Creative Ideas for Intellectual Property, The ATRIP Papers 2000–2001, Cédidac, Lausanne, 200272; Aplin, 182.

[172] Derclaye in Stamatoudi (ed).

administrative or judicial procedure with no condition of indication of source or non-commercial purpose being required.[173]

15.2 Implementation in the Member States

Country	Interpretation
Estonia	A lawful user of a database which is lawfully made available to the public in whatever manner may, without the authorisation of its maker and without payment of remuneration, extract or re-utilise a substantial part of the database in the case of: 1) extraction for private purposes of the contents of a non-electronic database; 2) 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; 3) extraction or re-utilisation for the purposes of public security or an administrative or judicial procedure to the extent justified by the purposes of public security or an administrative or judicial procedure.
Greece	Is there an exception for lawful use? Yes, Art 45A(5) Are contracts permitted to limit this freedom? No. Art 45A(5) Are there exceptions for private use? No Are there exceptions for teaching? Yes. Art 45A(6) Are there exceptions for public security/admin/judicial procedure? Yes. Art 45A(6) No private use
Italy	"The Database Directive provided for exceptions to the copyright database and the sui generis database, but only the former exceptions were mandatory. In this respect, Legislative Decree No. 169 of 6 May 1999 (which implemented Directive 96/9/CE) did not provide for specific exceptions just for the sui generis database, providing exceptions to copyright database rights (art. 64-sexies, parag. 1, lett. a) and b) of ICL). Regardless, several scholars argue that the above-mentioned copyright exceptions would apply to both the copyright and the sui generis database as they are based upon general principles of our legal system and should therefore be applied by analogy. Under Art. 64-sexies of ICL, in line with the provision for copyright database in the Directive, there is no need of the authorization of the database author, for: 1) access or consultation of the database for exclusive educational and scientific purposes, as long as the source is indicated and to the extent justified by the non-commercial purpose to be achieved; 2) utilization of a database for the purposes of public security or an administrative or judicial procedure.

[173] Vanhees, 1007.

	There is no need for the authorization of the database author also in case of temporary or permanent reproduction by any means and in any form, in whole or in part; translation, adaptation, arrangement and any other alteration; any form of distribution to the public of the database or of copies thereof; any communication, display or performance to the public when such activities are necessary for the access of the database content or its normal use."

15.3 Commentaries

A number of commentators criticise the restricted menu of exceptions. In particular, traditional copyright exceptions such as quotation and news reporting are unavailable in relation to the sui generis right. This is not only regarded as strange, giving rise to potentially opportunistic use of sui generis right, but clearly raises the possibility of conflicts with Article 11 and 13 of the Charter of Fundamental Rights and Freedoms.

Citing *Wegener Uitgeverij Gelderland-Overijssel BV et.al. v. Hunter Select BV*,[174] Hugenholtz observed that:

> "In practice, this incongruity between the two regimes may lead to regulatory arbitrage. For example, in a Dutch case a newspaper publisher invoking protection of personnel advertisements published in its newspaper against appropriation by an online job ad site convinced the Court that the newspaper actually was a database subject to sui generis protection. The defendant in this case could therefore not invoke the quotation and news reporting exceptions that would have been available had the Court applied Dutch copyright law to the case."[175]

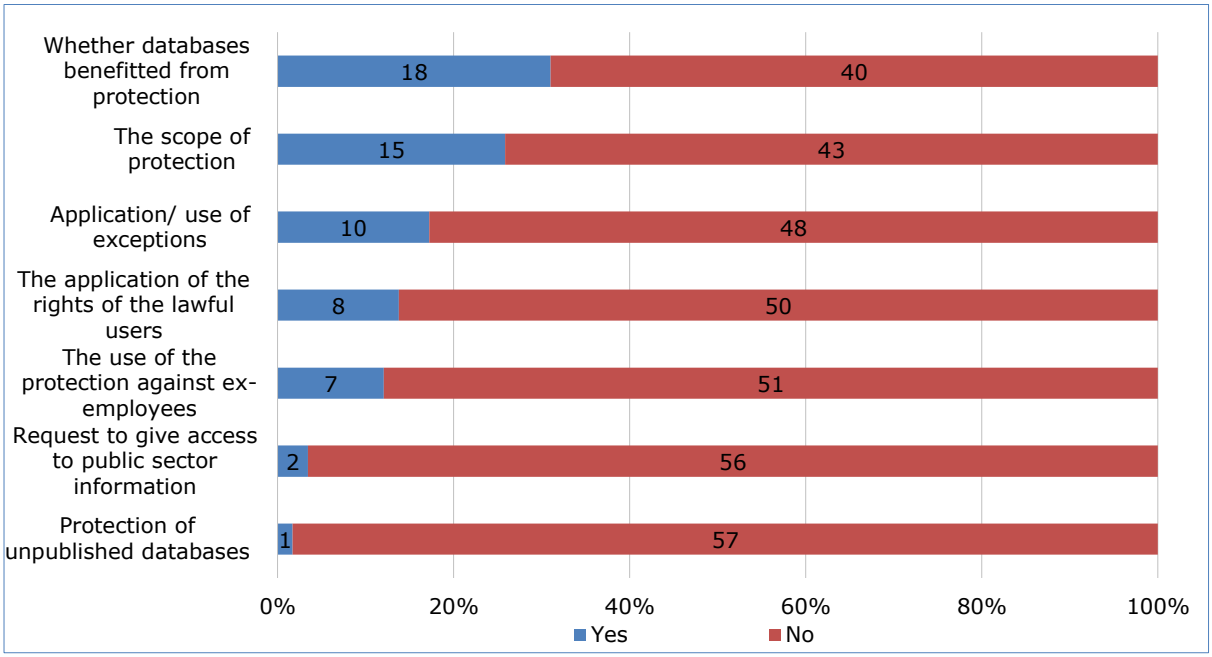
[174] Court of Appeal Leeuwarden, 27 November 2002, AMI 2003, 59-63'

[175] P.B. Hugenholtz, Something Completely Different: Europe's Sui Generis Database Right In: The Internet and the Emerging Importance of New Forms of Intellectual Property, S. Frankel and D. Gervais (eds.), Information Law Series, Vol. 37, Kluwer Law International 2016, p. 205-222, 217.

15.4 Findings of the Study

15.4.1 Questionnaires

Figure 33 Issues of the disputes in which experts were involved



Source: Survey conducted for this study

15.4.2 Public Consultation

Many respondents to the EC's Public Consultation criticise the limited array of exceptions to the sui generis right.

Table 5 Responses to the Public Consultation on the overall balance

Respondent	Inputs
LIBER	Access to data: The exceptions to the sui generis protection fail to meet the needs of various stakeholders, as Dr Annemarie Beunen remarks that the sui generis right is arguably over-strong and discriminates against both competitors and non-profit users such as researchers, educational institutions, libraries, museums and archives" and adds that it "fails to balance the commercial interests of database producers against the public interests of society at large, such as the free flow of information" (p. 270-1). The result (p. 281): "Non-profit users such as educational and scientific institutions, libraries, museums and archives are currently left in the cold by the Directive, in spite of the vital role they play in education, research and access to information."
Copyright4Creativity	On the question if the Directive achieves a good balance between the rights and interests of the rightsholders and users, we strongly disagree. The Directive was clearly drafted with commercial interests in mind, and the exceptions demonstrate that it neglects the public interest and needs of educators and researchers.
Communia	The exceptions to the sui generis right also puts some users at a disadvantage.
University of Ghent	The directive has protected the investments very effectively. No further, broader protection is needed. - As a user we think this directive hinders research at present and in the future. Text and data

	mining, linked open data services and open science practices are crucial for modern day research. The Directive was clearly drafted with commercial interests in mind, and the exceptions demonstrate that it neglects the public interest and needs of educators and researchers. – The rights of the users (art. 8) and the exceptions (art. 9) should be broadened. A data driven economy not only protects the big database players, but also small players and other users.

A number of respondents object to the optional status of the exceptions, principally noting that it undermines harmonization.

Table 6 Responses to the Public Consultation on optional exceptions

Respondent	Inputs
Copyright4Creativity	Professor Lucie Guibault and Professor Andreas Wiebe found that the exception to the sui generis protection for "extraction for the purposes of illustration for teaching or scientific research" is a "very significant example of dis-harmonisation", seeing that "every Member State has its own interpretation of the underlying directive". In their view "the exception is to all intents and purposes useless" (p. 11).
Communia	More generally, the exceptions are optional—not mandatory—so Member States can choose to ignore their implementation. Lack of harmonization of the exceptions results in diverse, not coherent database protection in the EU.
EBLIDA	These optional limitations and exceptions should be made mandatory.
European Universities Association	The regulation of any exceptions should be mandatory and harmonized across Member States, in order to reduce uncertainty, ensure cross-border access and facilitate innovation.

Table 7 Responses to the Public Consultation on exceptions for private use

Respondent	Inputs
Copyright4Creativity	One of these exceptions allows for the "reproduction/extraction for private purposes of a non-electronic database". Limiting the exception to non-electronic databases (remember telephone books) is "virtually a meaningless right" as Indranath Gupta[3] explains (p. 159), or as Professor Hugenholtz put[4] it a bit more bluntly in 2001, it's kind of "ludicrous, impracticable and impossible to monitor" (p. 484). 2)
University of Ghent	Private purpose (Art. 9(a)): The exception for private purpose is limited to non-electronic database. Limiting the exception to non-electronic databases is an outdated concept.

Table 8 Responses to the Public Consultation on exceptions for teaching limited to extraction

Respondent	Inputs
University of Ghent	The exceptions for teaching and scientific research should be broadened to commercial purposes. If we want our students and researchers to work with databases in a data-driven economy, we need to equip them with the right tools and knowledge and enable them to transmit this knowledge to society.

Table 9 Responses to the Public Consultation on exceptions for research limited to extraction/non-commercial

Respondent	Inputs
LIBER	The exception for the purposes of illustration for teaching or scientific research is limited to the extraction of data for non-commercial purposes. First, limiting this exception to extraction of data creates issues for researchers as they also need to be able to re-use data, even if only to analyse it, in order to conduct meaningful research. Second, limiting the exception for non-commercial use goes against the public interest. This limits any potential knowledge transfer, especially seeing that research activities are nowadays more and more conducted in the context of public-private partnerships. Moreover, this limitation fails to recognise the fact that research has also become more reliant on private funding due to budget cuts. These restrictions thus render this exception useless in practice and negatively affect the re-use of data.
Communia	For example, the exception for the purposes of illustration for teaching or scientific research is limited to the extraction of data for non-commercial purposes. The limitation to only extraction could prevent researchers from utilizing the data in ways necessary for their research, such as text and data mining. The limitation for only non-commercial purposes ignores the fact that research and innovation takes place beyond the walls of the traditional not-for-profit research university, and oftentimes includes projects that involve the private sector too.

Table 10 Responses to the Public Consultation on exceptions for text and data mining

Respondent	Inputs
European Universities association	EUA is strongly in favour of developments that can facilitate and accelerate the transition to open science, which implies more access and more re-use of data, as this is a requisite for scientific activities and innovation. Revisions to the Directive should be in line with other policy processes development, namely the copyright reform and the progress towards open research data and open science. Less restricted exceptions to the access, use and re-use of data are needed and would have a positive impact on both education and research. As indicated in the "Updated EUA response to the European Commission proposal for a Directive on copyright in the Digital Single Market" (9 February 2017; www.eua.be/Libraries/publications-homepage-list/updated-eua-response-to-the-european-commission-proposal-for-a-directive-on-copyright-in-the-digital-single-market.pdf?sfvrsn=0), restricting a TDM exception to research organisations inhibits collaboration among citizens, researchers outside academia and fledging commercial organisations (e.g. spin-offs, SMEs). It is also at odds with the collaborative infrastructure the EC is investing in, such as the European Open Science Cloud and, more generally, the principles of Open Science and Open Innovation. The European institutions should therefore ensure that a mandatory exception be included to enable at least the not-for-profit organisations that have legal access to content to analyse and mine it with the tools of their choice. Exceptions in the Database Directive should be in line with other policies, namely the EU Copyright Directive. Text and Data Mining (TDM) should be included in the Database Directive's exceptions as well. In general, exceptions, or at least the exception for teaching and scientific research (art. 6(2)(b)), should be mandatory across all European Member States.

EBLIDA	If the Database Directive is not to be withdrawn, it will need amendment to accommodate the new EU-wide cross-border TDM exception coming via the DSM Directive, though it needs to be available for both non-commercial and commercial purposes.

Table 11 Responses to the Public Consultation on other exceptions

Respondent	Inputs
Global Legal Entity Identifier Foundation	In the area of guaranteeing the rights to the users, in addition to including the provision of specific exceptions in the fields of teaching, scientific research, public security or for private purposes, GLEIF would like to propose adding for purposes of public good to the list of provisions.

Table 12 Responses to the Public Consultation on exceptions for no contractual override

Respondent	Inputs
	it can be said that the protection provided by Article 15 to the mandatory exception in Article 6(1) and the provisions of Article 8 from override by contract terms is very positive for libraries and their users. However, the same protection should be extended to the optional limitations and exceptions in Article 6(2) and Article 9.

Table 13 Responses to the Public Consultation on exceptions for protection from TPMs

Respondent	Inputs
EBLIDA	The lack of protection for all the Directive's provisions for limitations and exceptions from override by TPMs is very negative for libraries and their users since TPMs can be used to reduce the effect of limitations and exceptions where contracts cannot, and the provisions of Article 6(4) of the Information Society Directive 2001/29/EC are useless when access to the database is granted by a negotiated licence. "Assuming that an EU-wide cross-border TDM exception will be implemented by the DSM Directive currently before the European Parliament, as the use of TDM expands, without protection from override by both contracts and TPMs, the potential for conflict between that exception, copyright and the sui generis right will increase." "If the Directive is not to be withdrawn, EU intervention will be needed to harmonise all the limitations and exceptions to the sui generis right and copyright in relation to databases to facilitate cross-border uses and to introduce an exception for TDM to the sui generis right. Additionally, EU intervention is needed to make mandatory the limitations and exceptions in Articles 6(2) and 9, to extend the protection of Article 15 to Articles 6(2) and 9 and to protect all the Directive's limitations and exceptions from override by TPMs."
University of Ghent	The sui generis protection restricts extraction and/or re-utilization of the whole or of a substantial part of a database: any (temporary) copies of a database made for text and data mining (TDM) purposes infringe this protection. The TDM exception proposed by the European Commission is limited to "reproductions and extractions made by research organisations" and "for the purposes of scientific research". Therefore, those who cannot benefit from the TDM exception (journalists, start-ups, etc.) will still be tormented by the complexities of the Database Directive. The exceptions for teaching and scientific research should be

	broadened to commercial purposes. If we want our students and researchers to work with databases in a data-driven economy, we need to equip them with the right tools and knowledge and enable them to transmit this knowledge to society. More and less restricted exceptions would have a positive impact on education and science, and as a consequence to society as a whole. Commissioner Moedas supports a policy described as "Open Science, Open Innovation, Open to the World". The database directive is an obstacle in that objective.
LIBER	Re-use of data: The exception for the purposes of illustration for teaching or scientific research is limited to the extraction of data for non-commercial purposes. First, limiting this exception to extraction of data creates issues for researchers as they also need to be able to re-use data, even if only to analyse it, in order to conduct meaningful research. Second, limiting the exception for non-commercial use goes against the public interest. This limits any potential knowledge transfer, especially seeing that research activities are nowadays more and more conducted in the context of public-private partnerships. Moreover, this limitation fails to recognise the fact that research has also become more reliant on private funding due to budget cuts. These restrictions thus render this exception useless in practice and negatively affect the re-use of data. Innovation: Catherine Colston pointed out in 2001 that this Directive provides for "the strongest intellectual property protection other than a patent, and for subject matter (information) that carries none of the value-added originality nor novelty necessary for copyright or the grant of a patent". Professor James Boyle, of the Duke University School of Law, explains that "the theory was that this would help build European market share", but rightfully warned that "of course, the opposite is also possible", as "setting intellectual property rights too high can actually stunt innovation". Dr Annemarie Beunen remarks that an exclusive right such the sui generis protection "grants a monopoly, which leads to a restriction of free competition" (p. 268)." LIBER would like to highlight is the fact that all the exceptions in the Database Directive are not mandatory and that Member States have implemented them according to their own interpretation of the Directive. In addition, exceptions are not up to date. This article should have at least the following exceptions concerning both acts of reproduction and making the database available to the public: A) Exception that allows temporary acts of reproduction The Database Directive provides for the exclusive right for the maker of a database, which shows that there has been qualitatively, and/or quantitatively a substantial investment. The Database Directive does not harmonize temporary acts of reproduction. Relating to temporary copies, according to Infosoc directive (2001/29/EY) 5th article: "1. Temporary acts of reproduction referred to in Article 2, which are transient or incidental [and] an integral and essential part of a technological process and whose sole purpose is to enable: (a) a transmission in a network between third parties by an intermediary, or (b) a lawful use of a work or other subject-matter to be made, and which have no independent economic significance, shall be exempted from the reproduction right provided for in Article 2." CJEU has ruled in its case Infopaq International (ECLI:EU:C:2009:465) namely the creation of TIFF files and text files resulting from the conversion of TIFF files, may be held to be transient as long as they are deleted automatically from the computer memory. It would be important for the database directive to explicitly allow for temporary copies, which are generated when text and data are mined. B) Exception for the retention of the research material for the verification The Database Directive should provide an exception for the retention of the research material for the verification. The European Parliament is currently under discussion The Digital

	Single Market Directive. The proposal for a directive takes into account the researchers, universities and research institutes need for retain those research materials that have been used for text and data mining. Open access to research data thereby becomes applicable by default in Horizon 2020 –European Union framework programme. The main goal of the programme is to make the research data findable, accessible, interoperable and reusable (FAIR), to ensure it is soundly managed. Good research data management is not a goal in itself, but rather the key conduit leading to knowledge discovery and innovation, and to subsequent data and knowledge integration and reuse. There are many reliable services for storage and opening of research data, such as Zenodo and Tietoarkisto . In addition, The European Parliament is currently discussing the Digital Single Market Directive. The proposals on the Directive have taken into account the need for researchers, universities and research institutes to maintain for verification purposes the research material used for text and data mining. The Horizon 2020 European Union Framework Program for Research and Innovation requires the storage of research data needed for verifying research results in data archives . In addition, researchers should open survey data whenever possible. With regard to research data, the objective is to find, reach, interoperate and reuse (FAIR data - Findable, Accesible, Interoperable, Re-usable). Reliable services such as Zenodo and the Tieto Archive are available for storing and opening research data. The objectives of the EU's open science policy should also be promoted through the development of the Database Directive. As mentioned, it is very problematic that database directive is interpreted differently in EU. This highlights the problems of sui generis right, as C4C states: "We would like to highlight is the fact that the exceptions in the Database Directive are not mandatory and that Member States have implemented them according to their own interpretation of the Directive. Therefore, we strongly disagree with claims that the Directive has achieved harmonisation. One example of the result of this approach is the exception to the sui generis protection for "extraction for the purposes of illustration for teaching or scientific research, which according to Professor Lucie Guibault and Professor Andreas Wiebe is a "very significant example of dis-harmonisation", seeing that "every Member State has its own interpretation of the underlying directive". In their view "the exception is to all intents and purposes useless" (p. 11). Member States also chose to implement the Directive in different ways on other levels. For example, the concept of a 'lawful user' has not been defined in the Directive, however some Member States, such as Belgium, have defined the concept in their national legislation." According to LIBER, sui generis protection should withdraw and add an exception to the harmonizing provision of the work threshold, which allows both temporary copies and the retention of the research material for the verification. The exception would apply both for the reproduction of the database and to the making it available to the public. This will promote the interests of both research institutes and companies and take technological development and interoperability into account.
LERU	As recommended by the European Commission´s Expert Group (on Standardisation in the area of innovation and technological development, notably in the field of Text and Data Mining), the right of extraction in the database regime should be reconsidered. The legislator should adopt a "normative" approach, "designed to ensure that protection is supported by the courts only for acts of extraction that entail expressive exploitation of the rights-protected material.

	Such a shift could be achieved through an interpretation instrument issued by the European legislator, accompanied by a re-assessment of the Database Directive, building upon the European Commission´s own highly critical evaluation report in 2005.

15.4.3 Questionnaire

User-maker: "The law is unclear and vague, and lack of clarity of all types sets barriers to use. It seems to apply to all types of databases but the normal use-cases are very different for different types of databases, so how the directive applies to each one is unclear. Similarly, many standard terms do not anticipate many potential uses, causing confusion. Even for uses that the database owner would permit, the lack of clarity leads to abandonment of use of the database because making the request is a high barrier. Particularly when the owner is an organization such as a government agency, there is no clarity as to which official can opine beyond the standard terms, which slows down the whole process. If the user and the owner are not both fluent in the same language (not an unusual circumstance given the many languages in the EU), that is also a barrier. This uncertainly leads to abandonment of potential use because the user must move forwards and cannot wait around for an answer. Similarly, needing legal advice (even if the advice would be that the use is lawful) is a significant barrier because legal advice costs significant money and time. The potential of different exceptions across different member states presents a barrier to even researching the subject."

15.4.4 In Depth Interviews

Third area is the determination of the exceptions to the sui generis right. These are too limited and too rigid.

Other recommendations include that the exceptions to the sui generis right should at the very least be aligned with the exceptions to the Information Society Directive. We should not have narrower exceptions to the sui generis right in comparison to copyright law. Of course, it should also be considered whether some of these exceptions should designed in a mandatory way which would have to be further specified.

So, it might be necessary to clarify that technological protection measures must not be used to prohibit the user from accessing the database which would be legal under the exceptions to the sui generis right. Certain limitations to possible contractual prohibitions might also be necessary. The exceptions to the sui generis right and the rights of the lawful user should be mandatory as regards to possible contractual circumventions. They should be 'contract-proof'. Of course, if there is no database protection, then there is no minimum right guaranteed but if there is a database and it is protected, the rights of the lawful user should be protected.

Interview partner: Replying to a question on the exceptions of the sui generis right, the interviewee noted that the exceptions should not be narrowed, but it would be better, make more sense, if all the exceptions for copyright and IP rights are also applicable to the sui generis right. This is to ensure consistence of protection.

When it comes to exceptions, it might make sense to make all exceptions related to IP law the same across copyright and sui generis right for consistency reasons.

Interview partner: Interestingly, Article 9 of the Database law for copyright protection does not refer to exceptions but rather refers to the right of the user. This is specific as the Copyright Code refers in Article 75 to free uses (exceptions to the general right) which presents an exhaustive list. This article 9 of the Database law however deals with uses which the legislator considered necessary in order to use the database as it should be used. There is also a provision in the Database law that states that any contract or provision which limits these rights of the user will be deemed null and void. Then article 10 deals with exceptions which are not rights, but pure exceptions.

The most exciting part in the Database Law is that the user is entitled to execute certain acts. This was somehow already incorporated prior to the Database Directive implementation. Upon the implementation of the Information Society Directive the legislation said that the exceptions and limitations should not be curtailed by the protection of digitalized management.

Interview partner: Legal practitioner, the scope of the exceptions should be wider

Respondent: The interviewee regards the Directive as a significant barrier for the activities related to his database. In particular the sui generis right constitutes a hurdle (e.g. for acquiring data from partner databases). The interviewee would recommend the Directive be repealed. Alternatively, the Directive should [could] be changed to include more explicit exemptions regarding scientific databases, both in term of acquiring data(bases) and in terms of making data(bases) available to users.

Representative of major library: Increasing use of Creative Common Zero (CC0) licenses in the library sector. The point is to make clear that, if there is a sui generis right, this right is waived.

Respondent: No change: This option is not supported, there needs to be at least a thorough exception for scientific use.

Legal experts (in depth): Whilst the protection of copyright is justified by constitutional principles, however, said rights, limit other constitutional. Therefore, the scope they cover must be determined through a balance with these rights. In this context, exceptions may serve a fundamental purpose (e.g. freedom of expression, public security, research and study etc.), as long as carried out only to the extent necessary.

Another legal expert: "All the applicable exceptions in the InfoSoc Directive" should apply to sui generis rights.

Expert: The interviewee underlined that exceptions to the sui generis right are too limited and too rigid.

The exceptions should be aligned with the exceptions to general copyright law (according to the InfoSoc-Directice) and they should be made mandatory.

Expert: "Some jurists and specialists assert that the exclusion of so called "private use" towards electronic database was directly taken from the similar

regulation set for the protection of computer programs. Nevertheless, it turns out that in this area of operation, users' privileges suffer a substantial reduction compared to the use of other types of work. "

15.5 Potential reforms

I. Importance of exceptions depends on interpretation and application of substantial part. If "insubstantial part" is interpreted as allowing considerable re-use, a short list of exceptions might be justifiable;
II. In terms of harmonization, these could be mandatory;
III. However, it is important to ensure compatibility with Charter. Consideration could be given to broadening the list;
IV. Further, in terms of coherence and simplicity, the Commission could consider the many requests to align the exceptions with the list in Article 5 of the ISD.

16 Article 10: Term of protection

Article 10 reads:

> *"1. The right provided for in Article 7 shall run from the date of completion of the making of the database. It shall expire fifteen years from the first of January of the year following the date of completion.*
>
> *2. In the case of a database which is made available to the public in whatever manner before expiry of the period provided for in paragraph 1, the term of protection by that right shall expire fifteen years from the first of January of the year following the date when the database was first made available to the public.*
>
> *3. Any substantial change, evaluated qualitatively or quantitatively, to the contents of a database, including any substantial change resulting from the accumulation of successive additions, deletions or alterations, which would result in the database being considered to be a substantial new investment, evaluated qualitatively or quantitatively, shall qualify the database resulting from that investment for its own term of protection".*

16.1 The law

A *sui generis* right lasts 15 years calculated from 1st January of the year following the date of completion. If a database is made available to the public in that period of 15 years, then the 15 years run from the 1st January following the date of the first act of making the database publicly available. Thus, a database can potentially be protected up to just under 30 years.

Paragraph 3 provides a new term of 15 years if a database maker makes a substantial change to the elements of the database. This change can be qualitative or quantitative and include additions, deletions or alterations. The term 'includes' means that no change to the database as a result of a verification of the elements also counts a change.[176] Indeed, the change is the fact that the database is now updated. The database maker will also have to meet the protection requirement namely that there has been a substantial investment. If these two conditions are fulfilled (substantial change and substantial investment), they trigger a new term.

Paragraph 3 also implies that elements of dynamic databases (namely databases which are continually being updated, in other words, electronic databases available online), which have not been re-verified, added or deleted can be protected perpetually. This is because paragraph 3 does not make clear if the new term starts again for the whole database or only for the part of the database which required the new investment and the user has no way of determining which element has not been added, deleted or changed for more than 15 years and for which the *sui generis* right protection has expired, unless the database maker specifically tags the elements (something the Directive does not mandate). From the wording of the Directive ('shall qualify *the database*

[176] See also Recital 55.

resulting from that investment for its own term of protection'), it could be argued that it is the database comprised of the new elements only.[177] However, the prevailing view seems to be that the new right applies to the entire database rather than just to the new elements.[178] The infringement test, as interpreted by the CJEU (see above, Art. 7) helps eliminate this problem since if a user takes the elements of the database where the substantial change and new substantial investment does not reside, s/he does not infringe. However, which users are going to take the risk of taking a substantial part when they do not know which elements of the database and thus of that part have been added, deleted or changed?

16.2 Implementation in the Member States

16.2.1 Statutory law

According to expert sources, 18 countries seem to have transposed art.10 of the directive to the letter or almost namely Austria, Belgium, Bulgaria, Croatia, Cyprus, Estonia, Germany, Greece, Italy, Latvia, Ireland, Malta, the Netherlands, Poland, Portugal, Spain, Slovakia and United Kingdom. Some Member States seemingly have implemented article 10 in alternative ways. The Czech Republic, Slovenia and Lithuania have no reference to the month of January following the year of completion while Hungary states "fifteen years from the *first day of the year in which the database* was completed in case it was not made public". France does not mention substantial change, only substantial investment.

Luxembourg's provision does not require the term of 15 years following the date of the first making available of the database to start within a term of fifteen years following the date of completion of the database. In other words, a database which is made available for the first time may benefit from a 15 years term of protection, regardless of whether this database has been completed since more than 15 years.

The three Nordic countries, i.e. Denmark, Sweden and Finland, do not provide for the possibility to renew the term. Bulgaria has a slightly different wording: "Each new substantial investment in the database leading to significant change in the contents of the database shall qualify the part resulting from this investment for its new independent term of protection."

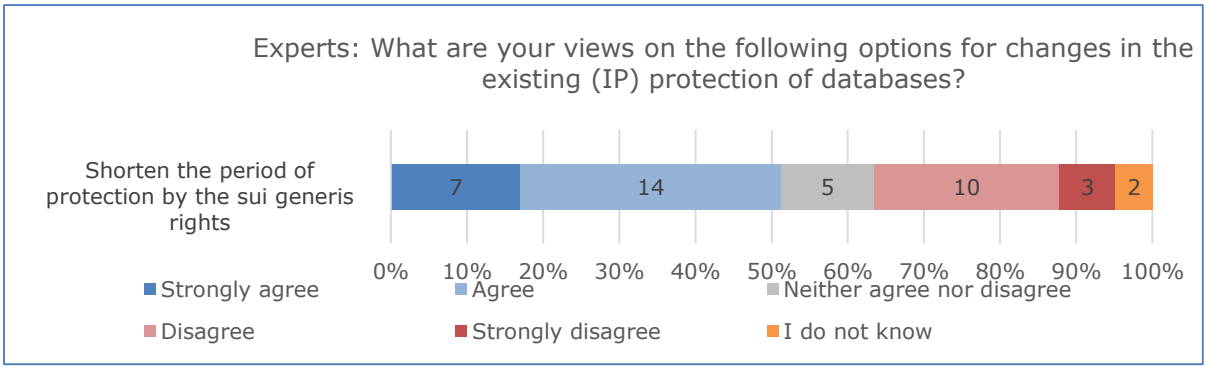
16.3 Findings of the study

The results of the questionnaire indicate that a vast majority of respondents disagree with lengthening the protection or find it adequate (Figure 34). Oddly most users want to lengthen it (Figure 35). This could be explained by the lack of understanding of the question by some respondents.

[177] A. Williams, 'Database Directive: Implementation into UK law', (1997) *International Media Law*, 15, 93; Vanhees, 1009.

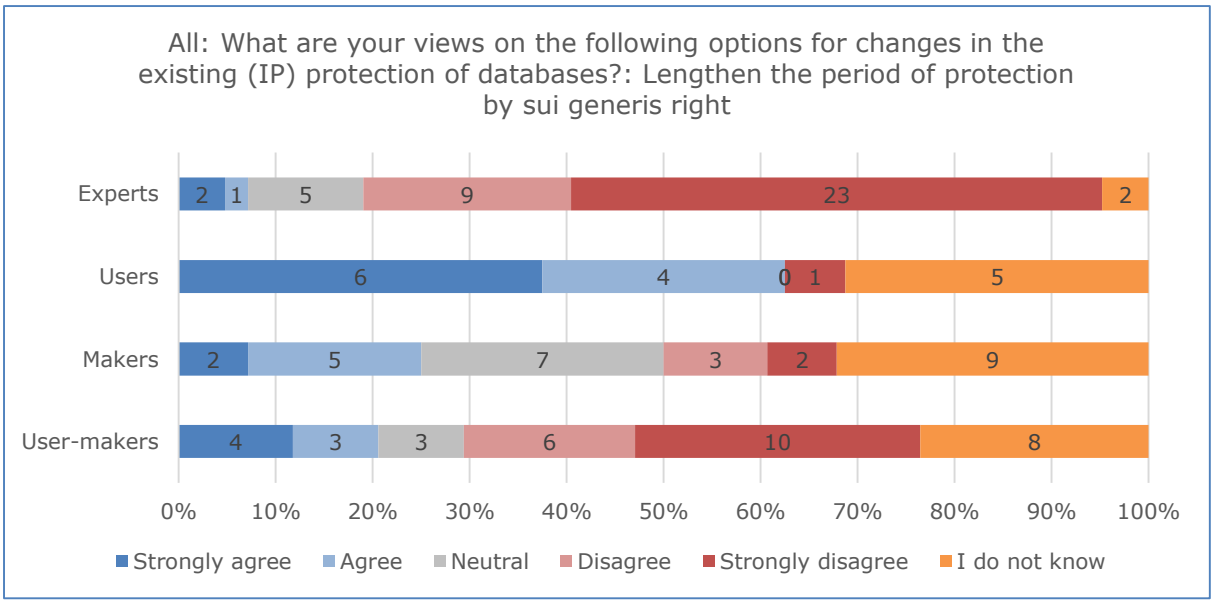
[178] S. Smith, 'Legal protection of factual compilations and databases in England: How will the Database Directive change the law in this area?' (1997) *Intellectual Property Quarterly*, 450, 475; Leistner, 2002, 461–2; J. Reichman, and P. Samuelson, 'Intellectual property rights in data?' (1997) *Vanderbilt Law Review*, 50, 90.

Figure 34 Experts' opinions on shortening of the period of protection by sui generis right



Source: Survey conducted for this study

Figure 35 Opinions of all survey participants on lengthening the period of protection by sui generis right



Source: Survey conducted for this study

A vast majority of respondents disagree with lengthening the protection or find it adequate. Oddly most users want to lengthen it. This could be explained by the lack of understanding of the question by some respondents.

16.4 Potential reforms

According to expert sources, the main Member States have transposed the directive faithfully. However, the Nordic countries do not expressly provide for the renewal of the term.

Interviewees are split: Academics and one maker find the term too long and/or not adapted to new technology, as now databases are dynamic. Another database maker favours a longer term. On renewal, interviewees were split, for one it is easy to find out what is expired in a dynamic database, for the other not, he proposes that the maker be obliged to make available the old database to the public). In the same vein, a respondent to the public consultation noted that the potential perpetuity? of the sui generis right may prevent databases from being entered into the public domain, which threatens access to information.

Experts in the questionnaire also strongly favour a reduction of the term. Database makers at the workshop favoured either the status quo or a longer term. On the other hand, users favoured a reduction of the term. Moreover, it was mentioned that if a user has paid to have access to data and the data is updated by the database maker, the user should still have the right to access the "non-updated" data for which the payment was made.

Consideration could be given to shortening it to 5 years, especially with registration and renewal options. It does not matter if the term is renewable ad infinitum if a substantial investment must be proven and if registration and deposit are also required. Because of the deposit, users can use the old database which is publicly available. If it is not possible to have a deposit for practical reasons (not enough storage/too expensive to keep databases/manage deposits), there could be a legal provision to force the database maker to make it available to anyone who asks. An increase of the renewal fee as time passes could be proposed, as it is the case already for instance for European patents[179] and UK registered designs.[180] In this regard, Korea has a five-year renewable term and that has not engendered problems.

[179] https://www.epo.org/law-practice/legal-texts/official-journal/2016/etc/se2/p1.html
[180] https://www.gov.uk/renew-registered-design

17 Article 11: beneficiaries - national treatment and nature of the right

'Article 11 - Beneficiaries of protection under the sui generis right

1. The right provided for in Article 7 shall apply to database whose makers or rightholders are nationals of a Member State or who have their habitual residence in the territory of the Community.

2. Paragraph 1 shall also apply to companies and firms formed in accordance with the law of a Member State and having their registered office, central administration or principal place of business within the Community; however, where such 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.

3. Agreements extending the right provided for in Article 7 to databases made in third countries and falling outside the provisions of paragraphs 1 and 2 shall be concluded by the Council acting on a proposal from the Commission. The term of any protection extended to databases by virtue of that procedure shall not exceed that available pursuant to Article 10'.

There are two issues under this title. The first is the issue of who can benefit from the sui generis right in other words, the reciprocity or not of the sui generis right (art. 11). A second issue is what the sui generis right's nature is. It is often stated it is sui generis, of its own kind but the directive does not define its nature. Only in article 7(3) can we glean it is probably a property right since the provisions states it is assignable and licensable.

17.1 Beneficiaries

Article 11 reserves the *sui generis* right's protection to EU nationals or habitual residents, as well as to firms established under the laws of a Member State and with their registered office, administration, or principal place of business within the EU.[181] This includes foreign firms so long as their business is conducted in the EU. Paragraph 3 empowers the Council to conclude agreements extending the right to databases that are made in third countries and are not covered by paragraphs 1 and 2 i.e. foreign databases which the Directive does not protect. To date, the Council has not yet entered into such agreements with foreign countries. Paragraph 3 is clearly aimed at pushing other countries to adopt a right similar to the *sui generis* right. Nationals of non-EU countries can only benefit from the *sui generis* right on the basis of reciprocity. Of course, they can also decide to establish a subsidiary in the EU or else become co-producers with an EU national or resident to benefit from the right.[182] According to some, article 11 does not breach international conventions since the *sui generis* right is a new

[181] According to Gaster, 163, a company does not have to be present in the Member State in question so long as it is formed according to the laws of a Member State. For him, central administration means the firm's management and principal place of business, the place where actual production takes place.

[182] C. Rees and S. Chalton (eds), *Database Law*, Jordan Publishing, Bristol 1998, 63.

intellectual property right, which is not covered by them.[183] The literature on this issue is further discussed below.

17.2 Implementation in the Member States

The implementation of article 11 in the Member States seems extremely diverse.

According to expert sources, Greece, Hungary, Italy, Luxembourg, The Netherlands and Spain seem to have transposed Article 11 to the letter or almost.

Many Member States implement the directive on all points except that they omit the term "rightsholder" after "maker" in the texts of their respective legal acts (namely Belgium, Finland, France, Ireland, Latvia, Portugal, United Kingdom). This would mean that a rightsholder who has acquired the database from a maker who is eligible will not be eligible unless it also is a EEA national or habitual resident or company that qualifies according to the criteria set out in art.11.

Article 11's wording (alternative between maker and right holder) supposedly allows commissioners to be owners of sui generis right either if the maker is a non-EU person, or the commissioners are non-EU, but the maker is an EU person. Therefore, anyone who has entered into an agreement with the maker when the database is complete they (rather than the maker) will be the right holder.

In addition, in Portugal, as regards legal persons, a small difference relates to the fact that the effective and permanent link with one of the Member States applies not only to the registered office, but also to the central administration or the principal place of business so it is a little stricter than the text of the directive. Likewise, Denmark talks of headquarters (though this can be seen as synonym to the words used in the directive except to registered office).

A few countries only give the sui generis right to their nationals (Austria, Estonia, Sweden although the latter also has an article 62 which leads to the ambiguity described below[184]).

Some countries (Cyprus) have not implemented article 11. The interview partner supposes that the proportionate application of art 4 (a) of the act applies.

There are a great number (9) of Member States (mostly new Member States post-2004) which have phrased article 11 either by including safeguard clauses or if not, they could be read like this, i.e. the wording is ambiguous in the sense that either it could be read as applying to EEA nationals and companies operating in the EEA according to the criteria set in article 11 or they could be read more broadly to apply also to foreign nationals and companies. In addition, some of these countries also do not use the term right holder but only maker (e.g. Poland).

[183] Gaster, 169–70.

[184] 'Article 62. On condition of reciprocity, or where this follows from such an agreement with a foreign State or with an intergovernmental organisation which has been approved by the Parliament, the Government may provide for the application of this Act in relation to other countries. […]'

Art 102(2) of the Bulgarian act adds: "The foreign makers of databases, except those referred to in Art. 101a, shall be protected in compliance with the international treaties to which the Republic of Bulgaria is a party."

In a similar vein, the Czech Republic applies this provision to databases makers: "The provisions of this Act shall apply to the phonograms of the producers of phonograms domiciled or resident in the territory of the Czech Republic; they shall also apply to the phonograms of foreign producers of phonograms, provided that the provisions of Paragraphs (2) and (3) are applied *mutatis mutandis*." Paragraph 2 provides "The provisions of this Act shall apply to the works and performances of foreign nationals and people without nationality *in accordance with the international treaties binding on the Czech Republic* and promulgated in the Collection of Laws of the Czech Republic, or, *in the absence of such a treaty, where reciprocity is assured*."

Slovenia's article 176 also has a similar wording.

Art 84/2 (9) of the Hungarian act states: "(9) Unless otherwise provided by international agreement, the maker of the database shall enjoy the protection provided for in this Act, […]"

Croatia's art 194(4) states: "Without prejudice to the provisions of paragraphs (2) and (3) of this Act, a foreign person shall not have more extensive protection in the Republic of Croatia than it has in the state of which he is a national or in which he has its principal place of business, if the persons referred to in paragraph (1) of this Article have in the state of the foreign person less extensive protection than they have been granted under this Act. The actual reciprocity shall be considered to exist until proven to the contrary."

Likewise, Lithuania's art. 3(2) and (3) applies to makers of databases who are citizens of the Republic of Lithuania or natural persons permanently residing in the Republic of Lithuania, or legal persons the headquarters whereof are located in the Republic of Lithuania. In addition, *"…*makers of databases whose rights shall be protected in the Republic of Lithuania *in accordance with the international agreements ratified by the Republic of Lithuania,* and other legal acts binding on the Republic of Lithuania according to its international obligations.*"*

In Malta, a maker or right holder is eligible at the time when the database is made is 1) an individual who is a citizen of, or is domiciled or permanently resident in Malta or in a State in which such a sui generis right in respect of databases is protected under an international agreement to which Malta is also a party; or 2) a body of persons or a commercial partnership constituted, established, registered and vested with legal personality under the laws of Malta or of a State in which such a sui generis right in respect of databases is protected under an international agreement to which Malta is also a party.

In Romania, art. 146 states: "The following benefit from the protection provided for by this law:

a) works whose authors are Romanian citizens, even if they have not yet been disclosed to the public;

b) works whose authors are natural or legal persons having the residence or headquarters in Romania, even if they have not yet been disclosed to the public;

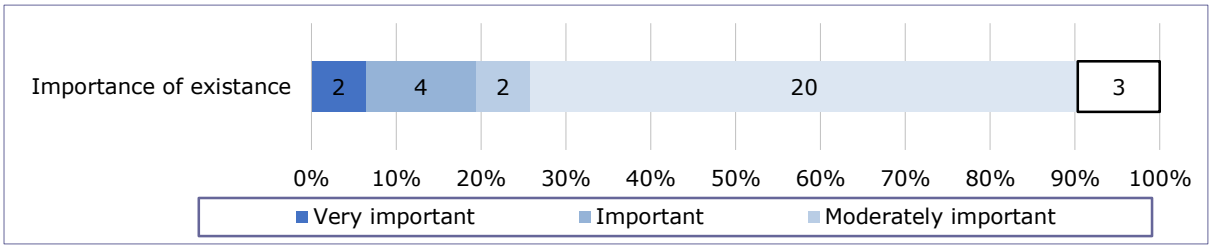
Art. 147: "Foreign citizens or juridical persons, owners of copyright or neighbouring rights shall enjoy the protection provided by international conventions, treaties and agreements to which Romania is party, failing which they shall enjoy treatment equal to that accorded to Romanian citizens, on condition that the latter, in turn, are granted similar (national) treatment in the concerned countries".

In Slovakia, the act applies to the maker (natural/legal person) of a database that was for the first time published/created in the territory of the Slovak Republic or from this territory. In case of reciprocity according to international treaties, the act also applies to the maker of a database that was published/created in the third country or from the third country, but used in the Slovak Republic, or used from the territory of the Slovak Republic.

According to expert sources, Germany also seems to have an ambiguous final provision in an otherwise very clearly transposed provision. Art. 127a(3) states: "*For the rest, foreign nationals and legal entities enjoy the protection granted according to international treaties,* as well as agreements which the European Community concludes with third-party states; the Federal Ministry of Justice and Consumer Protection shall give notification of these agreements by publication in the Federal Law Gazette"

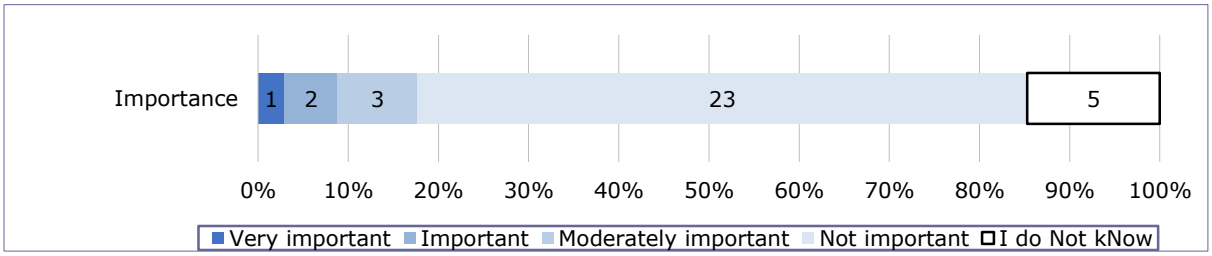
17.3 Findings of the Study

Figure 36 Influence of the sui generis right on the decision of database makers as to where to locate their active



Source: Survey conducted for this study

Figure 37 Influence of the sui generis right on the decision of database user-makers as to where to locate their active



Source: Survey conducted for this study

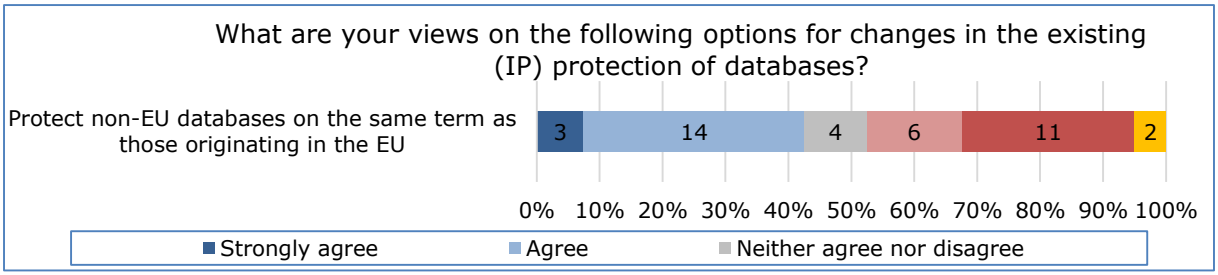
Users and makers were both asked about difficulties in determining whether the databases that they use or produce are protected via the sui generis when they

originated outside the European Union. A vast majority, if not, all respondents replied that it is not among the main source of barriers they encountered.

So, for the overwhelming majority in all groups, the location of the database is not important. This answer may be owed to several factors e.g. the nationality of the respondent (EU) and thus may not be indicative/useful.

However, experts have a more nuanced view.

Figure 38 Expert view on the protection of databases originated outside the EU under the sui generis right



Source: Survey conducted for this study

18 Nature of the database sui generis right

18.1 The Law

The Directive does not expressly state that the *sui generis* right is an intellectual property right. However, as shall be seen, it is. It is important to determine the nature of the *sui generis* right for several reasons. First, if it is an intellectual property right, then the intellectual property paradigm must apply, i.e. the rights of database makers must be adequately balanced with the rights of users in the public interest. If the *sui generis* right is an intellectual property right, it determines its relations to other laws such as unfair competition and contract laws. As far as unfair competition law is concerned, the principle of the primacy of intellectual property rights applies. This means that if an intellectual property right is granted on an intellectual production or effort, the intellectual property right excludes the application of similar protections on the protected production. If the production cannot be protected because it does not fulfil the requirements of protection or the protection expired, parasitism (slavish imitation) cannot "fill the gap" and (re)create an intellectual property right. Second, if the *sui generis* right is an intellectual property right, its relationship with contract law is similar to the relationship copyright and neighbouring rights have with contract law. This is important for the discussion later on article 13 of the directive (relationship with other laws). The nature of the right is also important in relation to how it is to be treated according to international law.

Since the Directive is silent on the nature of the *sui generis* right, it can only be gleaned from several scattered indications in the Directive's recitals and text. Article 7.1 states that the *sui generis* right is a right to prevent extraction or re-utilisation of a substantial part of the contents of the database. As shall be seen below, the rights of extraction and re-utilisation are very similar to the copyright rights of reproduction and communication to the public. In addition, the principle of exhaustion is provided as in other intellectual property laws (art. 7.2.b). Article 7.3 states that the *sui generis* right "may be transferred, assigned or granted under contractual licence." Exceptions to the rights are provided and the right has a term of protection, like other intellectual property rights. All these point to the conclusion that the *sui generis* right is an intellectual property right. The overwhelming majority of commentators classified it as an intellectual property right[185] since it shares the characteristics of intellectual property rights, namely: it is an exclusive right[186], a right *erga omnes*, transferable and licensable and a right in something intellectual, intangible, since it protects amounts of information.

However, a few commentators have argued that the sui generis right is either unfair competition or copyright and thus that it is necessary to apply national treatment under the Paris or Berne conventions to the sui generis right. However, this first view reflected the early form of the right i.e. when it was still

[185] Copinger 1999, n. 18-04; Laddie, Prescott & Vitoria 2000, p. 14, n. 1-26 and p. 1072, n. 30.36; Westkamp 2003a, p. 116; Karnell 2002, p. 998; Angel & Quinn 1998, p. 34; Lipton 2001, p. 72; Pollaud-Dulian 1996; Pollaud-Dulian 2002, p. 28; Mallet-Poujol 1996, p. 6; Studer 2001, p. 662; Bensinger 1999, p. 111ff.; Gaster 1999, p. 118 ff., n. 457 ff.; Hugenholtz 1996, p. 134; Hugenholtz 1998, p. 183-200; Koumantos 1997, p. 114-115; Thakur 2001, p. 114; Gaudrat 1999b, p. 419; Le Tourneau 2001, p. 12.

[186] Recital 50 describes the rights of the database maker as exclusive rights.

looking more like unfair competition. Under the second view, Mark Davison argued for national treatment to apply for a different reason namely because the new protection was converting the old UK approach of sweat of the brow copyright into an EU wide right. In other words, the original unfair competition approach to the sui generis right was abandoned, so the new right is akin to copyright (copyright simply under another name) and thus requires national treatment under the Berne convention.[187]

These arguments have generated some uncertainty as to whether the EU can apply the sui generis right on the basis of reciprocity. There are also some Member States who have adopted "safeguard clauses" stating that the sui generis right is available to any person to whom the country is obliged to offer protection under international law (on this see below under implementation in the Member States).

However, both arguments, the first based on the Paris convention, the second on the Berne convention, seem implausible. On the first, there are hints in the Berne convention that the standard (some like D. Gervais[188] say it requires) is intellectual creation. Absent an originality requirement - there is no reason it should be thought to fall within the Berne convention. Indeed, sound recordings and broadcasts receive national treatment only to treaty members in Rome etc. There is also abundant evidence that the *sui generis* right is (not part of) copyright.[189] First, the Explanatory Memorandum to the Directive clearly states that the *sui generis* right is "not a copyright right".[190] Second, the Directive makes a clear distinction between copyright (chapter II) and the *sui generis* right (chapter III). Why would the legislator call it *sui generis* right if it was part of copyright? In addition, only three of the Member States did incorporate the right amidst general copyright provisions, indicating that they do not see the *sui generis* right as part of copyright.[191]

On the second argument, there is no reason to think the sui generis right falls within article 10-bis of the Paris convention. The article is targeted at unfair competition grounded in deceptive behaviour. Even if the original proposal considered it more akin to unfair competition, it clearly became an intellectual property right in the directive.[192] The right is also clearly not an act of unfair

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[187] M. Davison, *The legal protection of databases*, Cambridge University Press, 2003, p. 222-225.

[188] D. Gervais, "The Compatibility of the 'Skill and Labour' Originality Standard with the Berne Convention and the TRIPS Agreement" [2004] EIPR 75.

[189] Many authors have argued that the *sui generis* right was akin to Anglo-American copyright. However, those authors still believe that albeit the right is analogous to Anglo-American copyright, it is distinct from it. See Chalton 2000a, p. 292; Pollaud-Dulian 1996, p. 545; Pollaud-Dulian 2002, p. 28; Colston 2001, section 3.2.; Davison 1998, p. 735-736; Cook 1995, p. 31; Cook 1996, p. 27; Westkamp 2003a, p. 108; Schneider 1998, p. 551, 558; Thakur 2001, p. 110; Smith 1997, p. 473; Cornish 1999, p. 360, n. 9-35 and p. 396, n. 10-31; Strowel & Triaille 1997, p. 276; Kaye 1995, p. 583; Melnik 1994, p. 104; Stamatoudi 1997, p. 467.

[190] Paragraph 1.2., p. 41.

[191] Even if the three Nordic countries include the sui generis right inside their copyright act by slightly amending their catalogue rule, the said rule was considered a neighbouring right. See eg AIPPI Report Q182, in the name of the Swedish Group by Gunnar Karnell, Katarina RENMAN CLAESSON, Per Jonas Nordell, "Database protection at national and international level", available at *aippi.org/wp-content/uploads/committees/182/GR182sweden.pdf*

[192] S. von Lewinski, European Copyright Law, states that in1992/3 the sui generis right was unfair competition, but by 1996 it was a related right. See also R. de Vrey, *Towards a European Unfair Competition Law, A Clash*

competition because it extends to acts done by persons which are not competitors.

Countries do not have to apply national treatment to such rights if they fall outside the Paris convention or TRIPs and it is clear that the sui generis right falls outside. [193] Indeed, "the unfair competition provision of the Paris convention (article 10bis) is incorporated into the TRIPs agreement only in so far as it provides a framework for the protection of undisclosed information (ie trade secrets) and geographical indications. Besides the provisions on the protection of trade secrets and geographical indications, no other provision exists that directly relates to unfair competition law. The TRIPs agreement thus only provides protection against unfair competition in a few specific cases."[194] In addition, there are clear indications that it is widely accepted that there can be treaties dealing with such rights which work on the basis of national treatment only to signatory parties, for instance the Washington Treaty on integrated circuits. This was indeed what the WIPO draft treaty on databases planned in 1996.

In conclusion, it can be said that the *sui generis* right codifies the law of unfair competition on parasitism. Therefore, it transforms this part of unfair competition into an intellectual property right.[195]

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between Legal Families, Martinus Nijhoff, 2006, p. 38. See also recital 6 of the directive; Gaster 1999, p. 118-119, n. 460-464; Gaster 1995, p. 259; Gaster 1996b, p. 188. See also Bently & Sherman 2004, p. 298 (the right is much stronger than a right against unfair competition).

193 Cornish 1999, p. 525, fn. 97 (the requirement for a third country national to be able to benefit from sui generis right in Europe means that the new right does not fall within the unfair competition provisions of the Paris Convention). See also Bensinger 1999, p. 111 ff.; Speyeart 1996, p. 176. Anselm Kamperman Sanders in A. Kamperman Sanders (ed), The principle of national treatment in international economic law, Trade, investment and intellectual property, Elgar, 2014 p. 288, also thinks that the sui generis right does not fall within of national treatment principle in TRIPS. This is also the implicit of opinion of D. Gervais, L'accord sur les ADPIC, Larcier, 2010, p. 202 (p 202: the TRIPS agreement uses the term related rights not neighbouring rights to take care of the distinction between civil law countries and common law countries and how they treat these eg the UK does not treat them under a different name but all works are copyright works. This explains why the obligations on national treatment in this area only apply to rights specifically granted according to TRIPS. If not the ordinary rule would have obliged WTO members to apply national treatment to all related rights (where this notion is not been defined) according to the principle of art. 3(1), according to which national treatment applies to IP as under art. 1(2). It has been necessary to have this fiction because the Rome convention gives rights which are not provided for in TRIPS eg broadcasters' rights. Even more importantly, certain countries classify remuneration rights (fair remuneration) as neighbouring rights and these countries did not want to 'pay' national treatment and were in favour of complete reciprocity). B. Hugenholtz and P. Goldstein, International Copyright, OUP, 2nd and 3rd edn, p. 107-109, are more nuanced. For them, it is not clear whether the sui generis right falls within art. 3 TRIPS. However, they think that the sui generis right for databases of publicly available data probably fall outside it. This is because copyright does not protect data and data is only covered by TRIPS if it is confidential. They add that if the sui generis right were included in TRIPS, it would discourage countries from creating such new IP rights since they would have no assurance that their nationals are protected for their databases abroad, and this goes against the preamble of TRIPS. Also not applying national treatment to the sui generis right does not materially undercut two other aims stated in TRIPs's preamble namely reducing "distortions and impediments to international trade" and "ensuring that measures and procedures to enforce intellectual property rights do not themselves become barriers to legitimate trade".

194 R. de Vrey, Towards a European Unfair Competition Law, A Clash between Legal Families, Martinus Nijhoff, 2006, p. 17-18.

195 Stamatoudi 2000, p. 29.

Another issue is to determine whether the sui generis right is a neighbouring right or not. Although the *sui generis* right is as its name states "of its own kind", it has been classified by around half of the Member States (see table below), commentators[196] and even the Explanatory Memorandum[197] as a right neighbouring copyright. The Directive itself compares it with the specific neighbouring right created in Nordic countries and the Netherlands to protect catalogues.[198] This classification is not surprising. The *sui generis* right shares many of the characteristics of other neighbouring rights: the maker is generally not a natural but a legal person, the *sui generis* right does not give rise to moral rights, its term is shorter than the copyright term and the length is calculated not from personal criteria (i.e. the author's life) but from the moment of the production of the investment, the sui generis right has no moral rights and the level of the protection requirement is less high than copyright's.[199] However, some have argued that not much is to be gained from this classification as a neighbouring right.[200] It is useless to classify the *sui generis* right as a neighbouring right unless, within the context of national laws, this classification leads to the application of particular norms.[201] And there are generally no common rules applying to all neighbouring rights in many Member States.[202] Nevertheless, it is submitted that the classification of the *sui generis* right as a neighbouring right is important because it connotes its close ties with copyright and the general principles which apply to both copyright and neighbouring rights. These principles can help to determine whether some aspects of the *sui generis* right are over-protective or not.

Table 14 Member States treatment of sui generis right:

	Copyright	Related Rights	Separate
Austria		ACA 1997 ss 76c-76e 'verwantes Schutzrecht'	
Belgium			Code of Economic Law, Chapter 2, Book XI, Titre 7 (Titre 5 – authors and neighbouring rights)
Bulgaria		Part 2, Ch 11 (but not listed as related rights	

[196] Edelman 2000, p. 93; Le Tourneau 2001, p. 12; Frequin 1999, p. 11; Triaille 1994, p. 45; Buydens 1997, p. 345, n. 23; Bensinger 1999, p. 116 ff.; Retornaz 1996, p. 8; Garrigues 1997; Bertrand 2000, p. 19. *Contra*: Stamatoudi 1997, p. 467; Powell 1997, p. 1227; Gaster 1997, p. 1143; Gaudrat 1999a, p. 99; Lehmann 1998, p. 779.

[197] At p. 2 (the *sui generis* right is similar to the rights of broadcasting organisations, phonogram and film producers).

[198] Recital 52.

[199] On the characteristics of neighbouring rights, see Bensinger 1999, p. 113-117; Stewart 1983, p. 178.

[200] Bensinger 1999, p. 116.

[201] Ibid.

[202] Ibid.

		in Art 72)	
Cyprus	Art 7 c of copyright act next to architectural works and computer programs		
Czech Republic			Title III (Related rights in Title II)
Germany		Section 6 Arts 87a-87e	
Denmark		Ch 5 'Other rights' (catalogue)	
Estonia			Ch VIII[1] (Ch VIII is related rights)
Spain		The Copyright Act, Part 2 recognizes "other intellectual property rights," most importantly neighboring rights in performances, sound and audio-visual recordings, and broadcasts, as well a *sui generis* right in databases.	
Finland		Ch 5, Art 49 (catalogue rule)	
France			Part III, Art L341:
United Kingdom			Copyright and Rights in Databases Regulations 1997 (SI 1997/3032)
Greece	Section VII, Art 45a (Combined with special copyright rules for software. Related rights are section VIII)		
Hungary		Part 3 Related Rights, Ch XI/A (after Ch XI on neighbouring rights)	
Croatia		Art 1(2) (sui generis right listed as (f) of related rights)	
Ireland	Part V of Copyright Act 2000 (Part III & IV is performances, but		

	phonogram producers and broadcasters fall within Part II)		
Italy			Title II-Bis. Situated between neighbouring rights (Title II) and Technological Protection Measures (Title II-ter)
Latvia			Chapter IX of the copyright act after related rights
Lithuania			Chap IV (after Ch III which deals with Related Rights)
Luxembourg			Part VI of copyright act well after neighbouring rights
Malta		Part VII - Towards the end of copyright act before Part VIII topographies and after part VI transfer of copyright and neighbouring rights	
The Netherlands			Special Database Act separate from Copyright Act and Neighbouring Rights Act
Poland			Special database act separate from copyright act
Portugal			The implementation of the Directive in Portugal was not integrated in the copyright provision, but rather emerged as an autonomous piece of legislation. There was no attempt to integrate database provisions in the copyright legislation as these were seen as very specific provisions.'
Romania		Title II chapter 6 of copyright act, art 122	

		ff.	
Sweden		Copyright Act, Ch 5 Certain Rights Related to Copyright Sec. 49a. Catalogue rule	
Slovenia		Art 141 ff. copyright act	
Slovakia			Part IV after part III neighbouring rights, art 130 ff. copyright act

18.2 Possible reforms

In conclusion, as to its nature, the overwhelming majority of countries (only three classify it as part of copyright) and of commentators consider the *sui generis* right is a new intellectual property right like the traditional intellectual property rights such as copyright, patents and trademarks, whether it is or not classified as a neighbouring right. It is also a right which is not covered by the Paris convention or TRIPs unless the data included in the database is confidential. Therefore, there seems very little basis for the argument that national treatment is required.

What could the EU do?

There now seems little chance of a database treaty. Nevertheless, there is quite a lot of support in the survey for extending to foreign database makers though the experts in the questionnaire are split on this. The EU could do so unilaterally. We do not see any advantage in this.

A second possibility would be for the EU to operate a safeguard clause. This would be an option if the EU was very risk averse. However, this would not be recommendable as it introduces too much uncertainty. If non-EU/EEA database makers would like to benefit from the sui generis right, it may in many cases be rather easy because they could collaborate with an EU-based firm for the development of their database so that they become joint right holders of the sui generis right.203 If the provisions on ownership and joint ownership of the sui generis right are properly addressed as we canvass above, such collaboration should be one way to address the issue of reciprocity.

One possible clarification would be to write in the directive (art. 7 or even art. 1) that the database sui generis right is an intellectual property right and leave article 11 unchanged. In addition, as we mention below, doing this along with a registration/formality requirement to positively identify protected databases, the public can readily identify non-EU-protected databases.

[203] Rees in Rees/Chalton, 1998, p. 63.

19 Art. 13 – Other types of protection

We will examine the relationship between the sui generis right and contracts, unfair competition and public-sector information.

> *'Article 13 - Continued application of other legal provisions*
>
> *This Directive shall be without prejudice to provisions concerning in particular copyright, rights related to copyright or any other rights or obligations subsisting in the data, works or other materials incorporated into a database, patent rights, trade marks, design rights, the protection of national treasures, laws on restrictive practices and unfair competition, trade secrets, security, confidentiality, data protection and privacy, access to public documents, and the law of contract'.*

Article 13 allows cumulation of the *sui generis* right and/or copyright in a database with a number of other protections. The list is not exhaustive.[204] According to Gaster, the inclusion of 'access to public documents' somehow replaces the provision of the draft Directive which would have introduced an exception for databases made by the State.[205] In practice, article 13 means that a database can be protected by several intellectual property rights and other types of protection in addition as well. Often a database will be licensed and thus be protected by contract. The database maker will also have a trademark which applies to its database. S/he may also apply technological protection measures to its database, which will be protected by anti-circumvention provisions. This latter possibility is provided by the Infosoc Directive (Art. 6). The addition of similar types of protection such as unfair competition and contract to databases raises problems of over-protection.[206]

19.1 Relationship with contract: art. 15 and protection by contract including Ryanair

19.1.1 The law

According to article 13 contracts can be used in conjunction with the sui generis right or copyright. Database makers use this option extremely frequently and it does not normally raise problems. It only creates problems if database usage contracts override exceptions.

Article 15 of the directive renders Articles 6(1) and 8 imperative. This means that owners of copyright and *sui generis* right in databases cannot override these provisions by any type of contract, be it fully negotiated or standard form. Article 15 will not apply to the whole database but only a part thereof if a lawful user is only licenced to use that part.[207] Article 15 means that *a contrario*, a contract can override the optional exceptions and the other limits (exhaustion and term of protection) since the provision does not render them imperative. Commentators have discussed the disputability of not rendering the other exceptions

[204] Gaster, 176. See also Recital 58.
[205] Gaster, 177. See also Beunen, 41.
[206] See Derclaye 2008, Chapters 3 and 4.
[207] Beunen, 43.

imperative.[208] Indeed, this choice differs from that made in the Software Directive. Also a blanket provision like Article 15 does not make a difference between multiple source and sole source databases nor between adhesion contracts and contracts at arm's length whereas there are good reasons to differentiate.[209]

In case C-30/14 (*Ryanair v PR Aviation*), the CJEU held that database makers whose database falls within the definition of a database but do not fulfil the conditions of copyright or the sui generis right, can rely on contract to override any exceptions to the directive because the directive does not apply to them as the conditions are not fulfilled. It added that this is so unless national law provides otherwise. The result of this case is that database makers can remedy to non-protection by either modifying their investment, so to meet the criteria of eligibility, or imposing contractual conditions on the use of the database. The latter remedy is, paradoxically, more efficient than the former, in that an unprotected database can be fully protected by contract, while certain contractual restrictions on lawful uses of protected databases are declared null and void by art. 15 of the database directive. To an extent, a database maker is better off when the database is not protected by copyright or sui generis right, as he or she is free to determine contractually the conditions of use of the database. This CJEU decisions has prompted a flurry of critical comments in this vein from commentators including some interviewees and respondents to the public consultation.

19.1.2 Implementation in the Member States

Statutory law

The vast majority of Member States (21) have correctly implemented the directive: Belgium (this Member States also makes all three additional exceptions imperative too), Austria and Bulgaria (though both acts in these two countries say the agreement is invalid rather than contractual provision), Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Spain, United Kingdom.

Croatia, the Czech Republic, Latvia, Romania, Slovakia and Slovenia seem to have not specifically implemented article 15 in their statutory law. However, according to the Slovakian interview partner, courts do not allow this contractual override. Sweden did not correctly implement the directive. Art 49(4) states that "Contractual stipulations that extend the rights of the producer pursuant to the first Paragraph, are null and void" and the first paragraph states "Anyone who has produced a catalogue, a table or another similar product in which a large number of information items have been compiled or which is the result of a significant investment, has an exclusive right to make copies of the product and to make it available to the public."

Case law

[208] See mainly L. Guibault, Copyright Limitations and Contracts: An Analysis of the Contractual Overridability of Limitations on Copyright, Kluwer Law International, The Hague, 2002.

[209] For more details, see E. Derclaye, The legal protection of databases, Elgar, 2008, Chapter 4.

The case law has not been abundant. However, it provides interesting findings. The Court of Appeal of Amsterdam, in *Pearson v Bar Software* (22 November 2016) decides the reverse of the decision in the CJEU *Ryanair* case. It appears to suggest that contractual provisions in a database manual requiring users to obtain consent from the owner for certain uses were not enforceable even though the database in question was held to be an unprotected database. A respondent to the public consultation mentions this case as creating a lot of uncertainty as it contradicts the CJEU *Ryanair* decision.

Box 1 Irish Case Law

The Irish Courts have been faced with a series of cases brought by Ryanair Ltd, objecting to screen scraping of flight data from its website. The basis for the claims appears to include infringement of sui generis right and breach of contract.[210] However, these cases only decided jurisdictional issues, in particular how far the terms of use of Ryanair's website (which initially referred to the UK, but more recently Ireland) determine the appropriate forum. The Irish Supreme Court has now confirmed two High Court decisions which, for different reasons, held that the terms of use determined the forum (Ireland).[211] This would mean that all cases based on Ryanair's (and any other company designating Ireland as the jurisdiction for litigation in their terms) terms would go to Irish courts.

19.1.3 Findings of the Study

As emerges from the data collected throughout the study contract, contracts are not a replacement for the sui generis right or copyright because of the privity of contract principle - they are not binding *erga omnes* but only bind the parties to the contract. Database makers at the workshop were in unison on this. For them, contracts are nevertheless a very useful complement to the sui generis right and copyright. Three interviewees disagree, according to them, alone or combined with TPM and trade secrets, contracts offer sufficient protection to database makers. From the point of view of makers who do not wish to benefit from sui generis right, contracts are useful to waive the sui generis right as many participants in the workshop and questionnaire have mentioned. This will be examined in more detail under the subsection under this section, relating to creative commons and similar licences below.

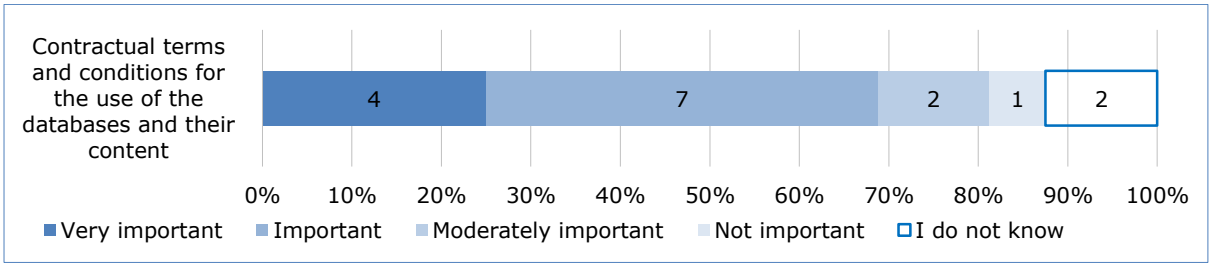
Some respondents and some interviewees are in favour of making all exceptions in the directive imperative. One interviewee adds that some additional protection of consumers who use databases may be warranted while on the other hand, derogations to the imperative character of exceptions could exist in B2B situations. This could be done within the text of the directive or outside in guidelines or recommendations of the Commission or other legal instrument. Another interviewee is of the opinion that the right of users to make use of insubstantial parts of the database should be valid against technological measures as well. At the workshop, some participants mentioned it would be good to make the exceptions imperative even if a database is not or no longer

[210] See eg Ryanair Ltd v Bravofly [2009] IEHC 41, [1].
[211] Ryanair Ltd v Billigfluege GmbH and Ryanair Ltd v On the Beach Ltd [2015] IESC 11.

protected by copyright or the sui generis right, to avoid the problem cause by the CJEU *Ryanair* decision. Some makers and one interviewee find *Ryanair* adequate.

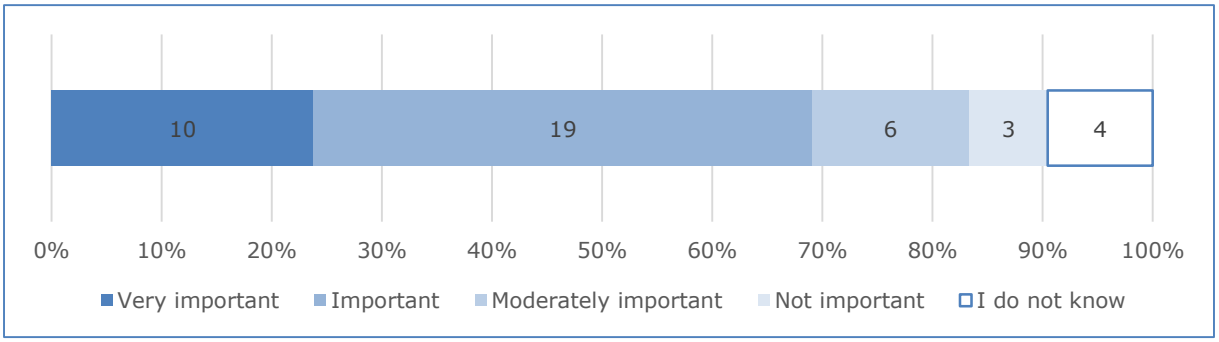
At the workshop, quasi all participants said the *Ryanair* case did not influence them, however acknowledging that this might be because the indirect implications of this case are not sufficiently known. One participant highlighted an issue we have mentioned above already in relation to the Irish decisions: a possible impact of the CJEU *Ryanair* case is that some database makers might decide to move to Ireland, as it is considered a preferable jurisdiction for litigation. This situation is due to court rulings, rather than to the Directive itself.

Figure 39 Importance of barriers related to contractual terms and conditions to the access and use of databases (Users)



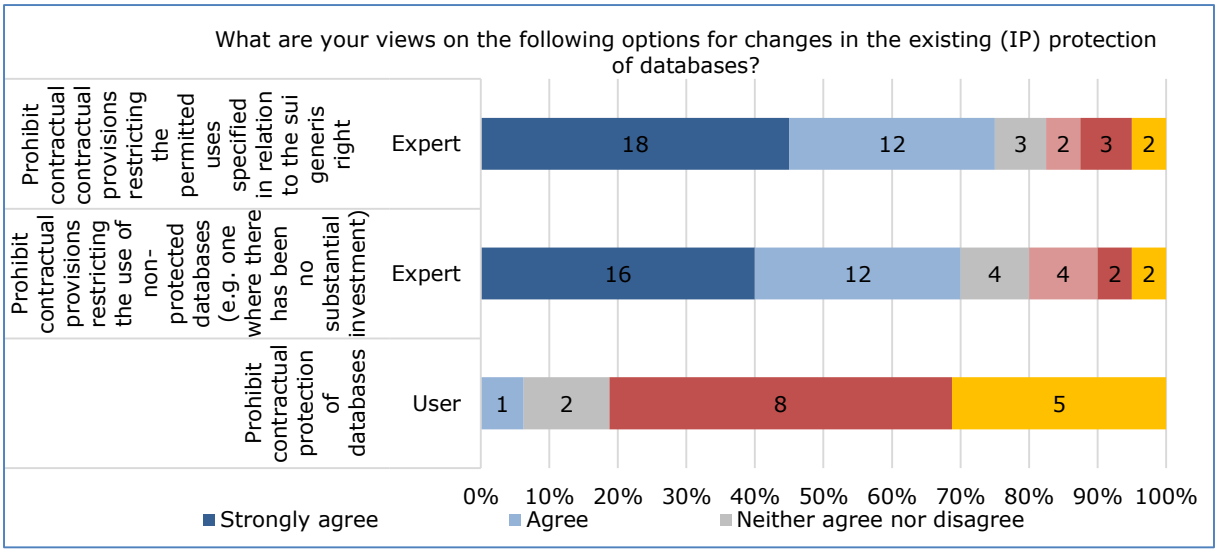
Source: Survey conducted for this study

Figure 40 Importance of barriers related to contractual terms and conditions to the access and use of databases (Experts)



Source: Survey conducted for this study

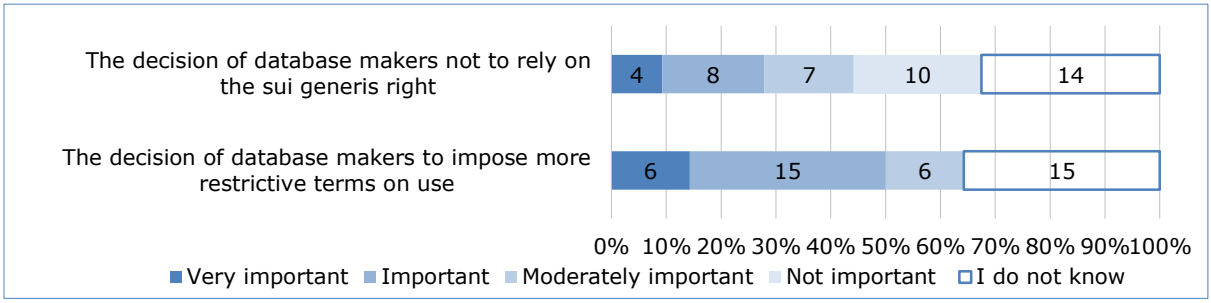
Figure 41 Experts and users views on changes to protection of databases via contract



Source: Survey conducted for this study

A vast majority of users strangely do not want to prohibit contractual protection however it may that they did not understand the question or else they thought, like at the workshop, that contracts are better than the sui generis right because they can be adapted flexibly including to waive the sui generis right such as with a CC0 licence. Not surprisingly the experts are strongly in favour of limiting contracting out of the exceptions and similarly for non-protectable databases.

Figure 42 Expert view on the RyanAir decision



Source: Survey conducted for this study

19.1.4 Potential reforms

Consideration might be given to whether a user right be included in the database directive that covers databases falling into the definition of a database but not or no longer meeting the criteria of copyright or sui generis right.[212] This user right would apply equally to contracts and TPMs. This would reverse *Ryanair*. In fact, this right may have to go further i.e. encompass databases falling outside the definition, if a narrower definition of database were adopted. This is because

[212] See also Leistner 2017, p. 42, thinks that it would be good to have a general user right also applicable to non-protectable databases to counter the effect of Ryanair.

some makers might wish to use contract to protect those databases that fell outside the definition.

One solution would be to make all exceptions imperative so that they cannot be contracted out. An exception to this could be made for B2B situations e.g. a contract between two database makers. What is also worrying is the Irish decisions to the effect that Ireland has jurisdiction in all cases of commercial scraping from Ryanair's websites, because of the terms of use. The EU would be advised to address this issue as well.

19.2 Creative Commons and similar licences

There is now a number of standard licences that anyone can use to licence use of their copyright or related rights content including the sui generis right. The most well-known is Creative Commons.[213] These licences enable content creators to attach standard terms of use to their content to release them with minimum legal jargon, so users understand easily what they can do with the content. They are several types but mainly they allow reuse without payment with attribution (BY), so long as no derivative works are made (ND) or so long as the content is shared with the same licence attached (SA). These terms can be combined too e.g. a BY, SA and ND licence. There is also a licence (CC0) which dedicates the content to the public domain.

They are also a number of other licences such as the ODbL[214] and licences developed by governments to release public sector information (more on this below under the section on relationship with PSI and open access).

The issue relating to the relationship between the sui generis right and these standard contracts is especially acute for those database makers who want to make databases but do not wish to benefit for the sui generis right. They go around this problem by using CC0 licences. They also encounter this problem when gathering data that they are unsure is protected by the sui generis right or to which some licence attaches which allows reuse. Because many licences have different terms of use, they cannot combine datasets to make databases. This is caused by the non-interoperability of licences. Not only there are several versions of Creative Commons licences 1.0 onwards but also of other licences and the terms between types of licences not just versions can also differ. As one of the respondent to the public consultation said the sui generis right "produces a chilling effect in that users simply do not attempt to utilize databases out of confusion, or that they may be infringing on a right that is difficult to understand". Similar comments were also made by respondents to the questionnaire and at the workshop.

19.2.1 Possible reforms

Not everyone is clear that the sui generis right can also be waived in a CC0 or similar licence, not just copyright, or in any contract/licence for that matter. It may be a good idea to include in the database directive that the sui generis right can be waived by contract. There is also a problem of interoperability between licences, this should be addressed too, perhaps by imposing a type of licence in

[213] https://creativecommons.org/licenses/
[214] https://opendatacommons.org/licenses/odbl/summary/

the database directive if the maker decides to waive it. A more radical solution to the all these problems would be making registration of databases compulsory for protection – on this, see below.

19.3 Relationship with unfair competition law

19.3.1 The law

As indicated earlier under art. 11 (nature of the sui generis right), originally the sui generis right was very close to an unfair competition action for slavish imitation or parasitism. However, when the directive was passed it had become an IP right. In this section we discuss only the relationship between the sui generis right (and copyright) and slavish imitation. The discussion of the relationship between the sui generis right and trade secrets is found elsewhere in the report. Cumulating unfair competition for risk of confusion does not create a problem of double protection or overprotection since the two types of protection are different. One remedies copying (sui generis right) and the other, a risk of confusion separate from pure copying (unfair competition).

The CJEU missed an opportunity to fully clarify the scope of article 13 as it arguably did not reply exactly to the question posed in *Football Dataco v Yahoo! UK*. It did not address the issue of 'copyright-like' protection such as protection against parasitism or slavish copying, which many national laws provide in their tort law or special unfair competition statutes. The Court of Appeal of England and Wales had asked the CJEU more specifically: 'Does the Directive preclude national rights *in the nature of copyright* in databases other than those provided for by [Directive 96/9]?' Maybe the Court of Justice assumed that since the UK does not have unfair competition law (except passing off), the Court of Appeal did not refer to that type of protection. Nevertheless, the CJEU could have interpreted the question more extensively, since it was posed in such broad terms, i.e. capable of encompassing unfair competition-type legislation. Therefore, the Court's answer is not entirely clear on this point, but on a logical construction of its paragraph 49, it is fair to assume that that it is not possible to cumulate slavish imitation or parasitism with the *sui generis* right. Indeed, it would adversely affect the functioning of the internal market and free movement of goods and services if databases could obtain quasi-copyright/*sui generis* right protection through unfair competition law provisions. As stated above (under the section on article 11/the nature of the sui generis right), many commentators think that the sui generis right has replaced slavish imitation for databases.

19.3.2 Implementation in the Member States

Statutory law

The following is the situation in relation to slavish imitation in the Member States[215]:

Situation	Country

[215] F. Henning-Bodewig, Unfair competition law, Kluwer, 2006.

Allow slavish imitation	Belgium, Croatia, France, Greece, Italy, Hungary, Poland, Slovakia is similar to the Czech Republic (art. 44 CC) if the action in competition is against 'bones mores'.
Do not allow slavish imitation	Cyprus, Estonia, Ireland, Latvia, Lithuania, Malta, Slovenia, United Kingdom.
Allow slavish imitation but only in exceptional cases	Austria, Denmark, Finland, Germany, Luxembourg, Netherlands, Portugal, Spain, Sweden.

Therefore, the situation is very disharmonised. As will appear below from the discussion of the case law, the recent decisions confirm that many Member States still cumulate slavish imitation with the sui generis right and/or copyright or the case law fluctuates which creates legal uncertainty.

Case law

The answer to the question posed by the national court in *Football Dataco v Yahoo! UK* is important because some Member States, notably France, still cumulate copyright and/or the *sui generis* right with slavish imitation/parasitism either simultaneously (i.e. when the sui generis right and/or copyright subsists on the database) or 'negatively' i.e. when either right is not available, thus filling 'the protection gap'. While the appellate courts and the Court of Cassation are rejecting the overlap between the *sui generis* right and parasitism[216], French first instance courts are split on the issue. However, if one looks at the recent Supreme Court's decisions on the relationship between parasitism and all intellectual property rights, they show that the tort of parasitism is still alive as the Court seems to constantly contradict itself.[217] It is therefore far from certain that the Court of Cassation's *Précom* decision in the area of database protection shows a clear trend towards rejection of the overlap between the *sui generis* right and parasitism.[218]

The Spanish Supreme Court also seems to allow the cumulation of the *sui generis* right, copyright and parasitism. In a case involving one of the main Spanish legal databases (Aranzadi), it confirmed the lower instances rulings that held that the defendant infringed the three rights when it copied and marketed Aranzadi's database (or at least Aranzadi's case law database) on its website and on CDs.[219] In 2012, however, the Spanish held that the defendant's 'scraping' of

[216] See grids eg Pressimmo on Ligne v. Yakaz, Court of Cassation, 12 November 2015.

[217] E. Derclaye and M. Leistner, Intellectual Property Overlaps: A European Perspective, Oxford, Hart Publishing, 2011, 173.

[218] Précom, Ouest France Multimedia v Direct Annonces, Court of Cassation, 1st civ., 5 March 2009, the Court held that no parasitism could be established, as the defendant indicated the source of his information and there was no risk of confusion for the user. For more details, see E. Derclaye, 'Recent French decisions on database protection: Towards a more consistent and compliant approach with the Court of Justice's case law?" (2012) European Journal of Law and Technology, 3(2) available on <http://ejlt.org//article/view/124>

[219] Case STS 988/2008, 30 January 2008, available at <http://www.poderjudicial.es/search/doAction?action=contentpdf&databasematch=TS&reference=160286&links=96/9&optimize=20080430&publicinterface=true>

Ryanair's website did not constitute parasitism. Similarly, in two other *Ryanair* cases, the Spanish Supreme Court rejected Ryanair's claims for breach of copyright, sui generis right and unfair competition.[220] This may show a trend towards the non-cumulation of sui generis right and copyright with slavish imitation, but it is hard to tell on such small amount of cases. Indeed, lower courts seem to cumulate the two rights: in a less recent case, the court recognised the sui generis to the claimant's database and ruled against the defendants for acts of unfair competition, behaviours objectively contrary to the requirements of good faith, imitation of benefits that entail an improper use of the effort of others, as well as acts of infringement of intellectual property rights.[221]

In Germany**,** the famous yet old "Tele-Info-CD" case (Federal Court of Justice , 6 May 1999) cumulated the protection of the sui generis right with slavish imitation. According to our interview partners, the German courts in several judgements have applied both protections cumulatively. Other courts have excluded unfair competition protection when the sui generis right is applied, pointing to a serious problem of legal uncertainty.

Italian case law is consistent in providing that the unauthorized use of database constitutes an act of unfair competition pursuant to Art. 2598 of the Italian Civil Code provided it was carried out by a competitor (Court of Bologna, 9 February 2009).

In 2004, the Polish Supreme Court rendered a judgment confirming that "taking over an electronic database and selling it to recipients under a different name constitutes an act of unfair competition".

On the other hand, in the Netherlands, database makers are free to rely on unfair competition, but the success rate is low. Most of the time, they use the unfair competition, in case that the sui generis right claim does not hold in court.

19.3.3 Findings of the study

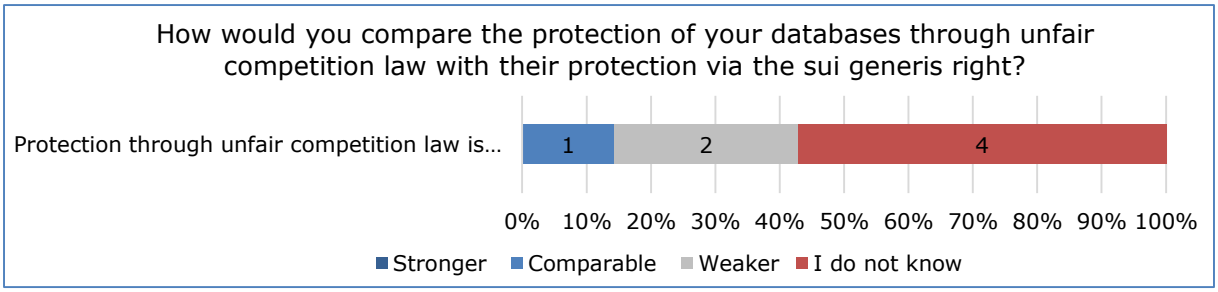
The following statistics emerge from the questionnaire:

Makers think that unfair competition is weaker, but most are not familiar with it.

[220] Ryanair v Atrapalo, Case STS 572/2012, 9 October 2012. See also the discussion under Art. 7; Ryanair Limited v. Vacaciones Edreams, S.L. (STS 9153/2012, 30 October 2012), Ryanair Limited v. Last Minute Network, S.L. (STS 1955/2014, 7 May 2014). For more information see Spanish grid. See also See also the 2012 Megakini v. Google Spain case, the court decided that Google did not harm the business activity of Megakini and held there was no unfair competition.

[221] Construdatos, S.L.' & 'Reed Business Information, S.A. v. Aplicación de Técnicas de Telemarketing, AP, 29 February 2008, the Provincial Court of Biscay.

Figure 43 Comparison of the sui generis right with the unfair competition law (Makers)



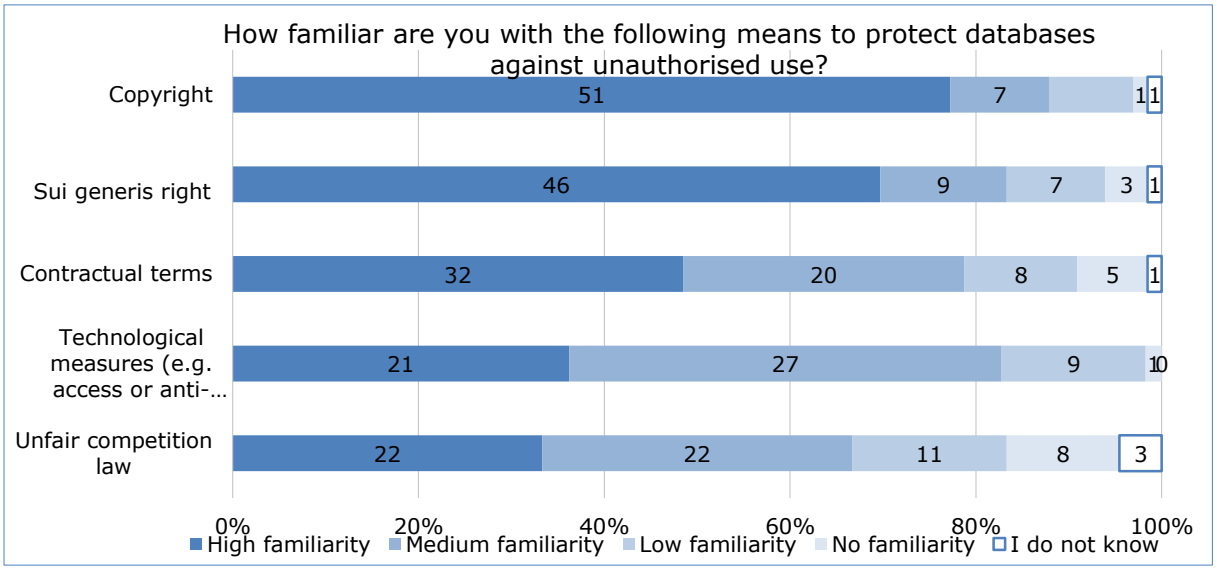
Source: Survey conducted for this study

The responding experts are not very familiar with unfair competition (Figure 44) and do not use it much in litigation (see Table below) but still think it is stronger than the sui generis right (Figure 48).

Table 15 Disputes or legal proceedings in relation to unfair competition law, as a % of responding database experts

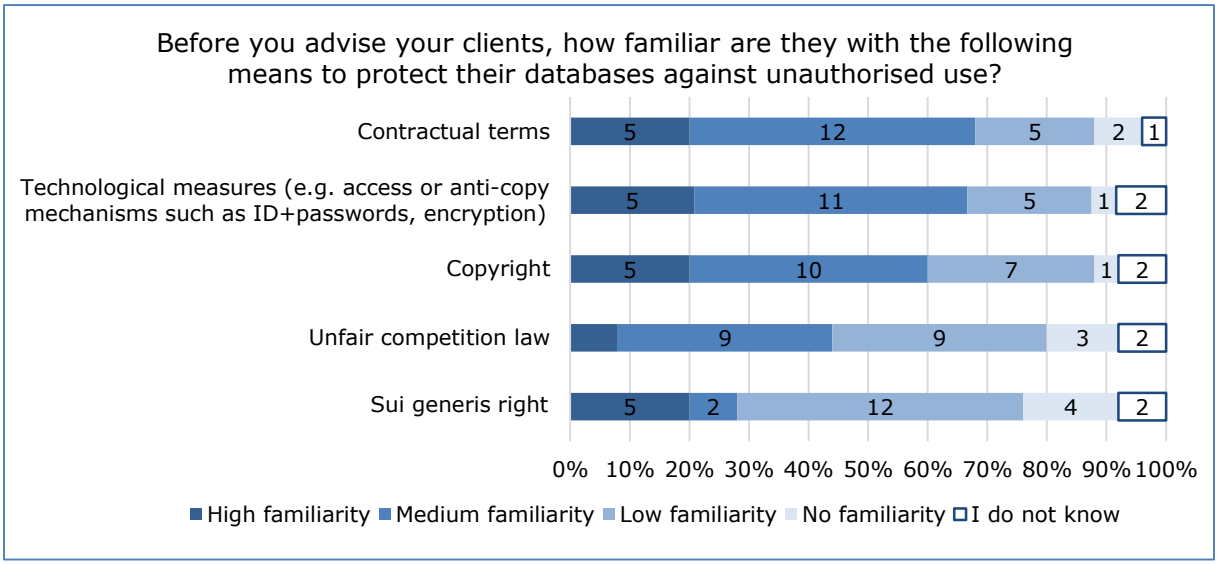
Answer	Percentage
Request to give access to public sector information	0%
Protection of unpublished databases	2%
The use of the protection against ex-employees	5%
Difficulty to apply unfair competition to databases	8%
Possibility to artificially extend the scope of protection of databases via unfair competition	10%
No dispute/legal proceeding	65%

Figure 44 Level of familiarity with means of protection of database (Experts)



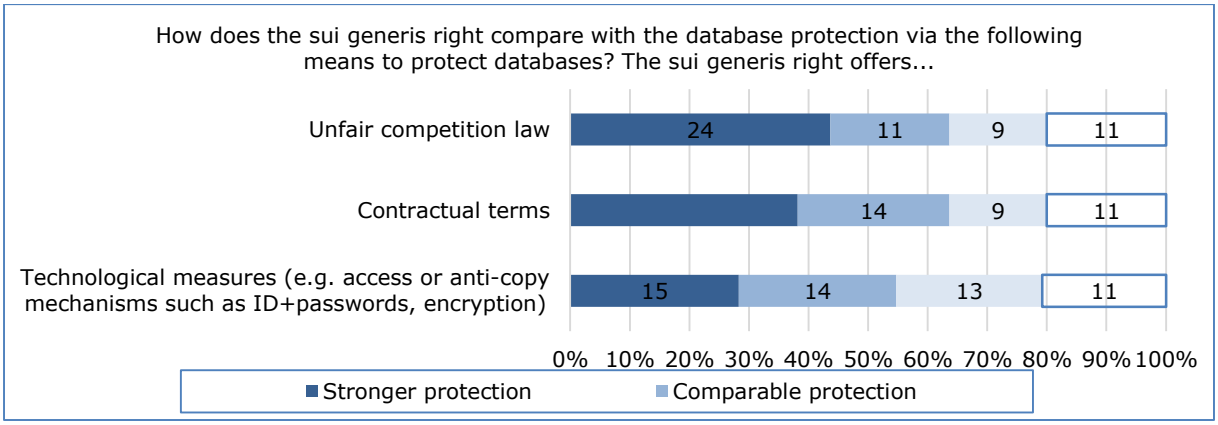
Source: Survey conducted for this study

Figure 45 Level of familiarity of experts' clients with means of protection of database



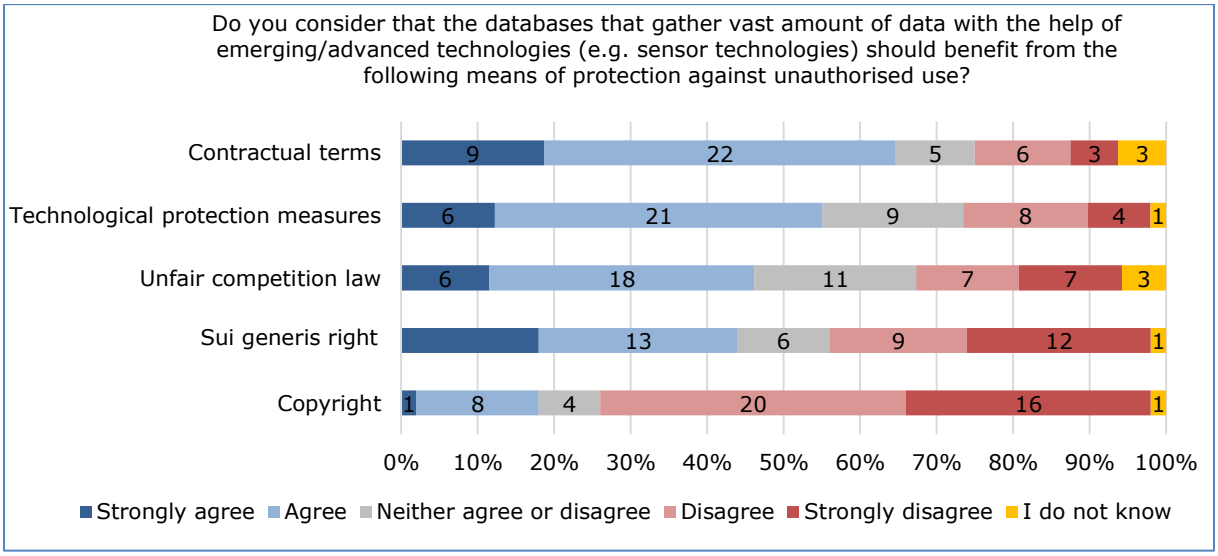
Source: Survey conducted for this study

Figure 46 Comparison of the sui generis right with other means of database protection (Experts)



Source: Survey conducted for this study

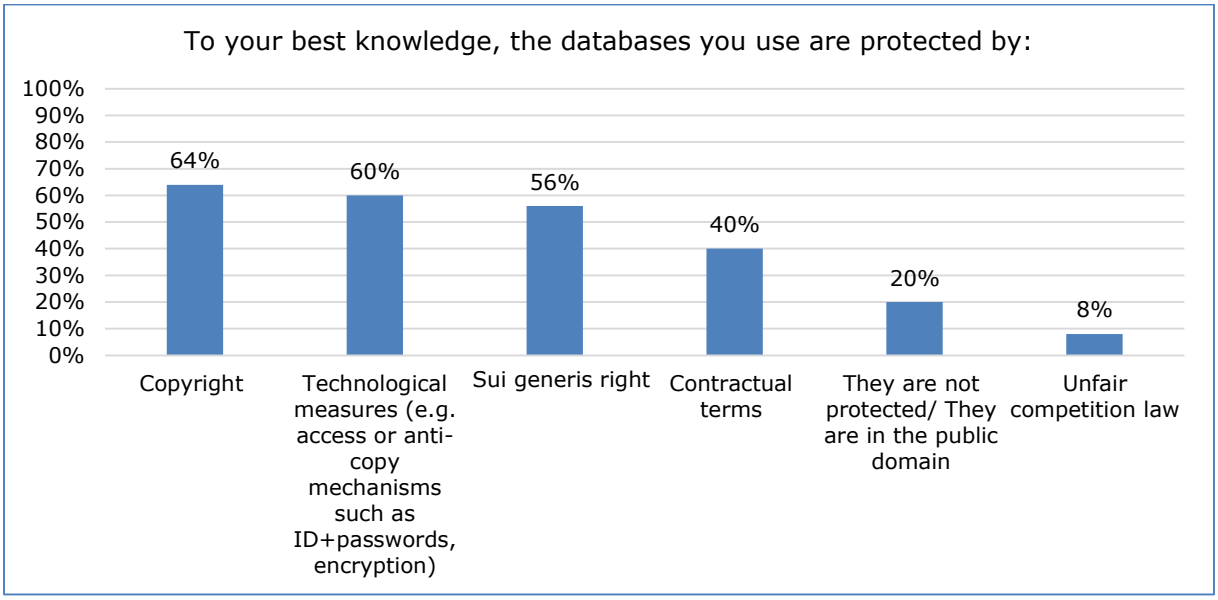
Figure 47 Experts' views on the means of protection for databases generated by new advanced technologies



Source: Survey conducted for this study

Users do not think that databases are protected or protectable by unfair competition.

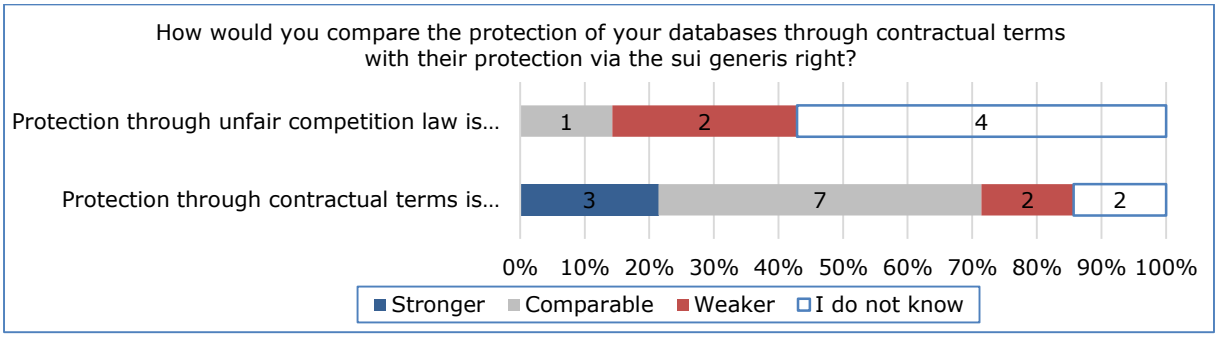
Figure 48 Type of protection encountered (Users), multiple responses possible



Source: Survey conducted for this study

User-makers think that unfair competition protection is weaker than the sui generis right (the low number of responses are to be kept in mind):

Figure 49 Comparison of the sui generis right with contractual terms



Source: Survey conducted for this study

A similar pattern than that emerges above from the questionnaire emerges from the workshop namely users and user-makers are not very familiar or not familiar at all with unfair competition. In the same vein, database makers generally said that they do not rely or do not rely much on unfair competition. It may be for lack of familiarity or because they come from a country which does not have a protection against slavish imitation in their unfair competition acts. Only a few interviewees gave comments about unfair competition. Some think that the database directive should be changed to specify that national unfair competition rules on slavish imitation must not be applied on top of the sui generis right. Otherwise, this leads to overprotection and lack of harmonisation. Others think that unfair competition including the protection of trade secrets are usually resorted to in parallel to the sui generis right. These tools are usually

complementary so that they are pretty good replacements of the sui generis right.

19.3.4 Possible reforms

The data above clearly shows that the EU may want to consider harmonizing unfair competition law, whether it decides to abolish or not the sui generis right. The unfair commercial practices directive applies to B2C only and is very limited harmonisation even for B2C. However, it may be increasingly difficult to harmonise unfair competition law owing to the sheer number of Member States. This was attempted back at the time of the discussion of the database directive at the end of the 1980s and it broke down. It is especially difficult if the EU wishes to harmonise all of unfair competition, not just slavish imitation. However, it is not totally impossible as the recent experience of the trade secrets directive shows which is considered part of unfair competition in some Member States and outside of unfair competition law in other Member States. If such harmonisation effort is envisaged be it of the entire unfair competition law or if less ambitious, of slavish imitation only, then abolition of the sui generis right could be proposed.

However, another possibility would be to keep the sui generis right and to simply add in article 13 that it is impossible to cumulate slavish imitation or parasitism with the sui generis right. Indeed, it adversely affects the functioning of the internal market and free movement of goods and services if databases could obtain quasi-copyright/*sui generis* right protection through unfair competition law provisions. It is also overprotective. It protects the investment in collecting, verifying or presenting the contents of a database twice.

Alternatively, maybe tweaking the sui generis right (including that it applies only towards competitors) may be also be more efficient/effective than harmonising either only slavish imitation or all of unfair competition law (cf. REFIT criteria).

19.4 Relationship with public sector information and open access

19.4.1 The law

The Member States had to implement the 2003 Directive on the re-use of public sector information (PSI Directive), Directive 2003/98/EC, which entered into force on 31 December 2003. Subsequently that Directive was revised by Directive 2013/37/EU which entered into force on 17 July 2013. There has been a new consultation of the said directive at the end of 2017 ahead of a review of the directive.[222]

The goal of the PSI Directive is to stimulate the growth of the European information market by allowing re-use of public-sector information, access being already broadly ensured by national laws. The Directive covers all printed, aurally or visually recorded, or electronically accessible documents of public-sector bodies with some important exclusions such as documents held by educational, cultural, archival, or research establishments and those in which third parties

[222] https://ec.europa.eu/info/consultations/public-consultation-review-directive-re-use-public-sector-information-psi-directive_en

hold intellectual property rights (art. 2).[223] Article 3, the core provision, states: "Subject to paragraph 2 Member States shall ensure that documents to which this Directive applies in accordance with Article 1 shall be re-usable for commercial or non-commercial purposes in accordance with the conditions set out in Chapters III and IV." Compared to the 2003 Directive, which only set out a hortatory duty, Member States do now have an obligation to allow re-use of public-sector information.

The second and third chapters of the Directive concern procedures for requesting re-use of such documents. Public-sector bodies must process requests within a reasonable time consistent with that already stated in national-access regimes or, otherwise, within no longer than 20 or 40 days, the latter if the request is complex or extensive; requests and access should, wherever possible, be processed electronically. If the public-sector body refuses, it must state the reason and the means of redress if the applicant wants to appeal the decision (art. 4 & 5). Where charges are made, the total income from supplying and allowing re-use of documents shall not exceed the cost of reproduction, provision, and dissemination, but there are some exceptions notably for libraries, museums and archives (art. 6). Article 7 then sets out a transparency requirement according to which public-sector bodies must publish conditions and standard charges for re-use of their documents. However, these conditions should neither be discriminatory for comparable categories of re-use, nor restrict competition; if a public body re-uses its information in competition with private entities, it must apply to itself the same conditions that it applies to these entities. Exclusive agreements are also forbidden, except when they are in the public interest (art. 8, 10, and 11). Finally, Member States must indicate what their public-sector information is and where it can be found (art. 9).

The question of the relationship between the sui generis right and the PSI directive is whether public sector bodies 1) can acquire the sui generis right and 2) if so, how the PSI directive affects it. Nothing in either of the two directives precludes a public-sector body from acquiring a sui generis right if the conditions of the database directive are fulfilled.[224] The main issue is whether the public sector body makes an investment.[225] It is arguable that the state does not take a financial risk at least in some cases.[226] It is often unclear where this is the case. In France and the Netherlands, two public sector bodies argued that they had a sui generis right on their databases and the courts forced them to release the data.[227] Some Member States have exclusions in their copyright acts for official

[223] The 2013 amendments of the PSI directive overrules the exception the 2003 version of the directive made for cultural and research establishments but it is not totally opening such PSI because these establishments can decide which PSI they open and can charge a higher re-use fee than other institutions. So they say the 'cultural exception' remains in all but name. See De Filippi and Maurel 2015, at 13.

[224] Derclaye 2008; https://ec.europa.eu/digital-single-market/en/news/legal-aspects-public-sector-information-lapsi-thematic-network-outputs

[225] Derclaye 2008; V. Papakonstatinou & P de Hert (2012) 9:3 SCRIPTed 329.

[226] In the second French case on this issue (12/07/17) mentioned in the grid, the council of state (administrative court) held that there had been no investment so no sui generis right. In the first French case (notrefamille.com), the same court held that there was a substantial investment.

[227] Notrefamille.com; Conseil d'Etat, 12/7/2017: case N° 397403 - ECLI:FR:CECHR:2017:397403.20170712 and ABRvS 29 April 2009, n 07/786, AMI 2009-6 (College B&W Amsterdam/Landmark; m. nt. M. Van Eechoud - see French and Dutch grids. In a Dutch case, "the Amsterdam District Court held that the Amsterdam City Council

documents or 'texts' but it is unclear whether this exclusion applies also to the sui generis right. According to a continental legal norms interpretation, the official texts exclusion from copyright law could apply also to databases protected by sui generis right.[228] An exception is art. 8 of the Dutch database act which clearly states that "public authorities do not possess the right referred to in Article 2, first paragraph, with respect to databases of which they are the producers and whose content is constituted by laws, decrees and regulations, judgments issued by it, judgments and administrative decisions." However, in its second paragraph gives the right to the public authority to derogate from this principle so that article 8 is not really biting that much. Another such example is the Czech Republic. Since 1 January 2017, the official text exclusion clearly applies to databases protected by the sui generis right (art. 3 and 94 Czech copyright act). The exclusion applies to copyright works and databases protected by the sui generis right in two situations according to part of the literature's interpretation. First, it applies where there is an implicit public interest in excluding such works from protection e.g. publicly accessible registers. Second, in the other situations, i.e. where there is no implicit public interest, two conditions must be met: i) the maker of the database must be a public sector body and ii) there must be a public interest in excluding sui generis protection. In sum, these combined characteristics mean that the state of affairs is generally unclear so that often de facto, one (users) has to assume that the public-sector body has the sui generis right. Since the PSI directive does not apply to all public-sector data but there are many exclusions, the bite of the sui generis right is real.

Because of this, some public-sector bodies have actually gone further than the PSI directive and use licences to renounce to the exercise of their sui generis right. Some use the Open data license, some go further and have created their own licences.[229] For instance, the UK has created its open government licence and the French government its 'licence ouverte' which is anchored in the French act implementing the PSI directive[230] and which has the same conditions as the UK one i.e. the data can be re-used for commercial purposes as long as attribution of the source is made and there is no tampering with/improper modification of the data. "The Italian Open Data License (IODL) was launched in October 2010 as the very first official license for public data in Italy. Version 1.0 of the IODL contained a Share-Alike clause, directing producers of derivative works to release those works under similar licensing conditions. Version 2.0 of the IODL has subsequently been developed, where only attribution of the source

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could not rely on the sui generis right in order to impose restrictions and/or annual licensing fees for the use of its environmental database." See Primavera De Filippi and Lionel Maurel, "The paradoxes of open data and how to get rid of it? Analysing the interplay between open data and sui-generis rights on databases" (2015) 23 International Journal of Law and Information Technology 1–22, at 6.

[228] 'LAPSI Policy Recommendation N. 3, Selected intellectual property issues and PSI re-use', available at https://ec.europa.eu/digital-single-market/en/news/legal-aspects-public-sector-information-lapsi-thematic-network-outputs

[229] De Filippi and Maurel (2015) at 8.

[230] Loi n. 78-753 du 17 juillet 1978 portant diverses mesures d'amélioration des relations entre l'administration et le public et diverses dispositions d'ordre administratif, social et fiscal, as amended, see http://www.legifrance.gouv.fr/affichTexte.do?cidTexte¼JORFTEXT000000339241

is required. This is the version now in use on the Italian data portal data.gov.it".[231]

However, arguably, the PSI directive has a perverse effect namely that some public sector bodies are using it as a potential source of new exclusive rights. It has been interpreted "as implicitly acknowledging the subsistence of an exclusive right over data […]. This interpretation has found the strongest support in the context of cultural heritage and research institutions, whose data are subject to a specific derogatory regime (iii). […] Although public sector institutions cannot generally oppose the authorization requests made by citizens or corporate entities, the directive nonetheless allows them to lay down specific conditions for the re-use of information, such as the payment of a fee and/or the acceptance of a contractual license."[232] Also, even the requirements in the UK and French licences, to attribute the data and to make no improper modification, amount to some extent to rights of paternity and integrity over data. The requirement to pay and the quasi-rights of paternity and integrity in the above mentioned licences amount to exclusive rights on single pieces of data, which is worse than the sui generis right because the latter does not have moral rights and applies to a substantial part of a database, not single pieces of data.[233] In addition, it may be that these databases are not even protected by a sui generis right for lack of (substantial) investment in the first place, making people believe that they are.[234]

In sum, such Open Data licenses can add a layer of complexity and legal uncertainty; it would be better for public sector bodies to dedicate their data and databases to the public domain such as CC0 licences to maximise the reuse of PSI.[235] Of course, using such licences is voluntary so it would be better to enshrine this in the law (i.e. there is no sui generis right on databases made by public sector bodies) like the Dutch legislature has partly done (art. 8 Database act). Exceptions may be required in some cases such as those already set out in the PSI directive (e.g. confidential data, data protected by the data protection directive etc).

Another aspect is open access policies. They exist at national but also EU level (e.g. through Horizon 2020). They are often not set out in legislation but are binding policies for academics, imposed by funding bodies or governmental departments (e.g. in the UK HEFCE). They require that research made in universities and publicly funded institutions or with funds granted by publicly funded bodies (e.g. CNRS, UK research councils etc) be available to anyone for free. These policies therefore can clash with the database directive. One aspect of these policies is that they require either 'gold' or 'green' access. Gold is immediate free access at the moment of publication, this is often financed by article processing charges (APCs) which publishers charge to cover their publication costs. Green access is often understood as free access after an embargo period of generally, 6, 12 or 24 months. Under open access policies, the

[231] De Filippi and Maurel (2015) at 17, fn 75.
[232] De Filippi and Maurel (2015) at 9-10.
[233] De Filippi and Maurel (2015) at 11.
[234] De Filippi and Maurel (2015) at 22 ("Releasing them under a specific Open Data license is thus likely to deceive people into thinking that they do actually have to abide to the conditions of these licenses, even if the data actually belong to the public domain").
[235] De Filippi and Maurel (2015) at 18-19.

research (ie articles in reviews, less often chapters and books) must be posted online on a repository or else on the site of the publisher.

It is not difficult to see that both the PSI directive and the movement to open up – at least research – data are - at least on the face of it - in total clash with the database directive. This is also echoed in the many contributions on this topic in the public consultation, interviews and questionnaires, as shall be seen below.

19.4.2 Implementation in the Member States

Statutory law

Following the option in Article 2(4) of the Berne Convention, many Member States' copyright laws exempt official works or at least texts. As stated above, there is no such provision in the Database Directive but it poses the question whether databases made by any of the three branches of state power, at local or national level, can benefit from the *sui generis* right; indeed, it is disputable that there is risk, hence an investment, because they are paid with taxpayer's money.[236]

Case law

As stated above, there were two prominent cases in France but they both seem to imply that public bodies can hold the sui generis right so long as the conditions are fulfilled. Though in both cases the public bodies were forced to release their data on the basis of the act implementing the PSI directive.

The German Supreme Court held that databases eligible for the *sui generis* right, which are official works, should be exempted from protection by analogy with the copyright act's exemption for official works.[237] The Supreme Court posed a question to the CJEU but later withdrew it so that this issue is still unclear at EU level.[238] In *Autobahnmaut* (25 March 2010), the Federal Court of Justice held that in a public private partnership, the investments of the private partner into the resulting database, can constitute substantial investments in the sense of the sui generis right even if there was also partial public funding. In particular, this will be the case if the industry partner relies on a mix of public funding and private exploitation to recoup his investments into the database. According to German case law, in general, publicly commissioned enterprises can benefit from database protection as they need to recuperate their investment.

[236] E. Derclaye, 'Does the Directive on the re-use of public sector information affect the State's database sui generis right?', in J. Gaster, E. Schweighofer and P. Sint (eds), Knowledge Rights – Legal, Societal and Related Technological Aspects, Austrian Computer Society, Vienna, 2008b, C. Sappa, 'Public sector databases – the contentions between sui generis protection and re-use', (2011) Computers and Telecommunications Law Review c.T.L.R, 17(8), 217 (citing decisions discussing whether the sui generis right subsists in public sector databases).

[237] Saechsiger Ausschreibungsdiesnt, 28 September 2006 [2007] GRUR 500; [2007] GRUR Int. 532; Case C-215/07 Schawe v Saechsiches Druck- und Verlagshaus [2007] OJ C-155/12.

[238] S. von Lewinski, 'Chronique d'Allemagne – 2e partie: L'évolution du droit d'auteur en Allemagne de mi-2005 à fin 2010', (2011) Revue internationale du droit d'auteur, 229, 239. For the situation in the Netherlands, see M. van Eeechoud, 'Government works', in P.B. Hugenholtz, A Quadvlieg and D. Visser (eds), A Century of Dutch Copyright Law, Auteurswet 1912–2012, deLex, Amsterdam, 2012.

The sui generis right in Italy is applicable also to public sector and the public authorities. In addition, according to antitrust law, where a public-sector body performs commercial activities, it has to make available all the information to its competitors.

In the Netherlands, the District Court of Amsterdam held that according to the Public Administration Act (Article 11a sub 1a) two conditions are imposed on public bodies' ability to rely on the reuse regulation: (i) the existence of a database and (ii) the public-sector body should be considered as the producer. The Court held that the collection of data occurred in the performance of the public body's public task and with the support of governmental subsidies, so the public body in question, here a City Council, did not qualify as a database producer, because it did not actually bear the risk of the investment. The intention of the database was to simplify the public task of the local authorities.[239]

In Poland**,** the implementation act has been widely criticized, because the relevant provisions have not been fully implemented into the Polish legal system until 2016. As far as our interview partners know, otherwise, there has been no issue between the Database and PSI Directives.

19.4.3 Findings of the study

The contributions on PSI and open access are very polarised.

Many respondents to the public consultation (those who answered on this point are users or research bodies) and the vast majority of interviewees think that sui generis right clashes with PSI directive, and also the Data Economy Package (on the latter, see section below) and is an obstacle to PSI reuse, stating that publicly funded databases should be excluded from sui generis right protection as official works under the copyright regime. At best, they state that the relationship between the two directives is not clear and that the database directive is not coherent with the PSI directive. Because of the legal uncertainty surrounding the notion of substantial investment and substantial part, the database directive has a chilling effect in relation to PSI. While some would like the database directive not to apply to PSI, including to publicly funded research data and databases, some suggest more drastically that the sui generis right abolished (on this see also section on abolition). As one of the respondents to the public consultation said: "the two Directives are in tension with each other and it is legally unclear whether one of them could cancel elements of the other out" and another "the sui generis right is by nature an antithesis to EU Open Access policies since its exceptions in Article 9 are merely optional and not harmonised throughout the Union". This contrasts with most publishers' contributions in the public consultation stating that database and PSI directives are in "perfect harmony".

The same goes in relation to open access. Users and researchers think the database directive or at least the sui generis right strongly hinders open access. Publishers say that open access policies may prejudice the normal exploitation of

[239] ABRvS 29 April 2009, n 07/786, AMI 2009-6 (College B&W Amsterdam/Landmark; with annotation from M. Van Eechoud).

databases and thus not be compliant with the database directive. Some publishers agree with open access but only if it recognizes the investment made by publishers, such as via gold access.

Questionnaire

As the graphs below show, users seem to rely on the public-sector databases a lot, but makers do not seem to have been asked to open up their data on the ground of the PSI directive. This may be because most of those who answered are not public bodies. There does not seem to be much legal advice or litigation on the issue. A majority (ca. 53%) of experts agree that public sector/publicly funded databases should not be IP-protected.

Table 16 Use of public sector databases by database users

Answer	Count	Percentage
Yes	11	65%
No	3	18%
I do not know	3	18%

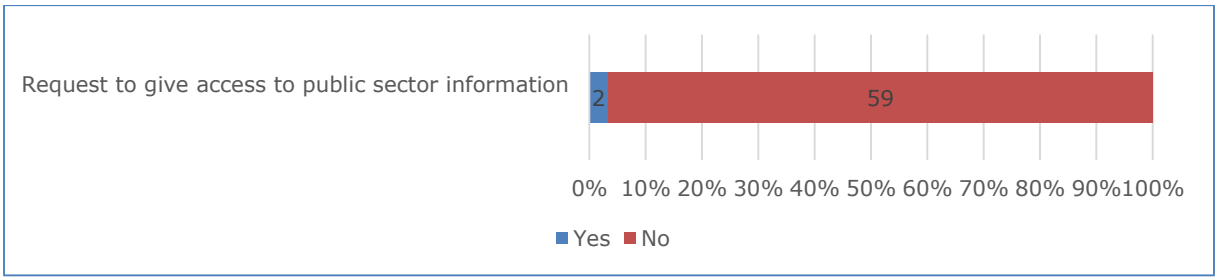
Table 17 Experienced request to give access to (parts of) databases under the PSI Directive (Makers)

Answer	Count	Percentage
Yes	1	8%
No	9	69%
I do not know	3	23%

Table 18 Availability of databases under open access policies (Makers)

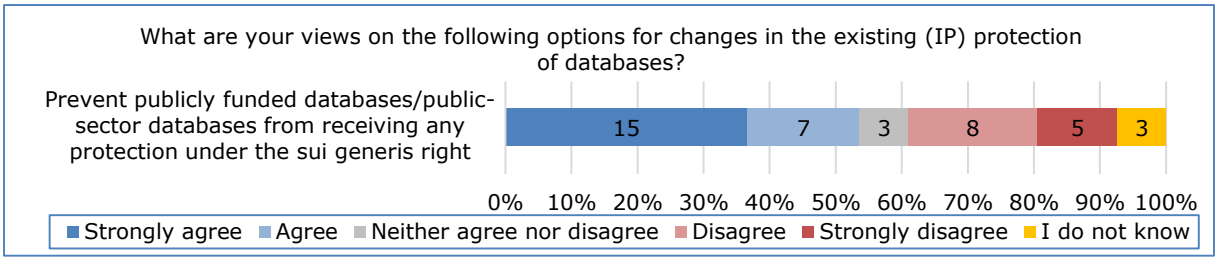
Answer	Count	Percentage
All my databases	8	23%
Some of my databases	14	40%
Few of my databases	2	6%
None of my databases	10	29%
I do not know	1	3%

Figure 50 Share of experts involved in legal disputes or proceedings in relation to request to give access to public-sector information protection under the sui generis right



Source: Survey conducted for this study

Figure 51 Experts' view on the prevention on any protection for publicly-funded databases



Source: Survey conducted for this study

19.4.4 Recommendation

There is strong evidence that there is no coherence, a clash or no clarity or uncertainty as regards the relationship between the database directive or at least the sui generis right on the one hand and the PSI directives and open access policies. The sui generis right is seen by many as a barrier to innovation and knowledge exchange and thus to economic growth as research and public data cannot be reused either at all (if refusal to licence), or less fast or at greater cost. It makes the EU less competitive than other economies where data research and public is more open. The case law, though not abundant, is also quite divergent.

The EU would be advised to address this issue. A possibility would be to remove the protection of the sui generis right for public bodies including research institutions. We also refer to our recommendations in relation to substantial investment and created data (above under article 7) and below under the section on abolition. Indeed, some of the PSI is arguably spin-off data and if it is not, it is arguable that in many cases, the public body has made no (substantial) investment. However, the EU should be cautious if and when it proceeds on this, as many Member States public bodies are self-funded i.e. not funded by the state and thus rely on the sui generis right for their very existence. If the EU decides to remove sui generis right from public bodies it will have to ensure that those which are self-funded and act somewhat as commercial entities are not excluded from the benefit of the sui generis right, as their existence and with that valuable databases may be threatened.

In relation to open access, if the sui generis right would not be available to research institutions, it would inconvenience publishers but arguably much less than a removal of copyright, which would be problematic anyway in view of the EU's international obligations (Berne, TRIPs). Publishers' business models

arguably do not rely on sui generis right but on copyright in books and articles. This would mean that standalone databases and databases which are inside books or articles could be free to reuse but not the other copyright protected content (text, pictures, photographs etc).

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