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# Should Canada Enact a New Sui Generis Database Right?

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# Should Canada Enact a New Sui Generis Database Right?

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## INTRODUCTION

The legal treatment of compilations, including electronic collections of factual information, presents problems for copyright law. The tests employed in determining subsistence of copyright, whether framed as a creativity-based standard, arising from the investment of "labor, skill or judgment" in either collection or presentation of contents, or some combination thereof, are notoriously difficult to apply. There is also risk of independent proprietary protection inadvertently extending to the contents of such compilations that are given copyright protection. Notwithstanding the complex nature of the problems, and a dispiriting lack of momentum towards harmonized legal treatment of databases at the international level,[1] the protection of databases is very much on the agenda in the revision of the Canadian Copyright Act[2] and difficult decisions will soon have to be made.

There are three main problems that lawmakers face when revising present protections. First, although the public policy justification for protection is an intrinsically economic one, there is little in the way of empirical economic analysis to aid in considering the effect of existing or revised legal models on new

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[1] Notwithstanding the adoption of the status quo in article 5 of the World Intellectual Property Organization [WIPO] Copyright Treaty [WCT], the protection of databases is still a matter being discussed by the WIPO Standing Committee on Copyright and Related Rights [SCCR] and was last discussed at the 7th session in May, 2002. *See Report: Seventh Session, Geneva, May 13 to 17, 2002*, WIPO Doc. SCCR/7/10 (May 31, 2002), *available at* http://www.wipo.org/news/en/index.html?wipo_content_frame=/news/en/documents.html. The proposal still at the heart of the discussions is the *Basic Proposal for the Substantive Provisions of the Treaty on Intellectual Property in Respect to Databases*, WIPO Doc. CRNR/DC/6 (1996). One study submitted during the 7th session considering the economic implications of database protection primarily in developing countries encouraged protection from an economic perspective, but was largely narrative and offered no new empirical analysis. *See* Yale M. Braunstein, *Economic Impact of Database Protection in Developing Countries and Countries in Transition*, WIPO Doc. SCCR/7/2 (Apr. 4, 2002), *available at* http://www.wipo.org/news/en/index.html?wipo_content_frame=/news/en/documents.html. Database protection remains on the SCCR agenda for continuing consideration.

[2] The protection of databases is expressly within the Canadian government's plans for copyright reform. *See A Framework for Copyright Reform*, *at* http://strategis.ic.gc.ca/SSG/rp01101e.html.

and emerging industries. Determining the level and scope of optimal protection through the dominant economic incentive paradigm becomes a very uncertain business. Second, the implications of maintaining proprietary interests in such collections may yield unwanted secondary effects and result in over-containment of data, with negative implications for access to data and markets alike. Recent studies indicate that this effect is of particular concern regarding data used in scientific research. Third, while sui generis rights in such subject matter may avoid the imperfections of an overly robust proprietary approach, such a model may require a greater explicit acceptance of unfair competition doctrine than has previously been the case.

As a threshold matter, databases are subject matter worthy of protection and, further, revision of the status quo is desirable. The present regime makes available an uncertain degree of protection through copyright law. It features high administrative and transaction costs in non-optimized security expenditures in the form of technological mechanisms and legal costs, risks over-containment through overly restrictive contractual arrangements that must be litigated elsewhere where dominant market positions are abused, and allows for obscured judicial policymaking in determining questions of subsistence of copyright. A revised regime should aim to take better account of the economic implications of protection, but avoid any temptation to import economic considerations directly into legal models (obviating the need to turn judges into economists for the purposes of doctrinal development); be more transparent in its construction and development of policy; allow for socially desirable access that is not market-driven; be constructed with a view to international harmonization; and be sensitive to Canadian legal traditions. This author is aware that it may seem somewhat awkward to advocate a nationalist agenda within a paper that considers the utility of comparative sources and experience, but Canadian policymakers should take care not to allow the questions for decision to be framed in terms of the policy preferences that dominate elsewhere, particularly in respect to American conceptions of fair use rights.

It is suggested that Canadian lawmakers should have close regard for the recent European experience in the protection of both

original and unoriginal databases under the EU Database Directive, [3] which makes available both a copyright in databases and a non-proprietary sui generis "database right." Though developed in Europe in a somewhat haphazard way, and implemented problematically, the idea of a two-tiered system seems an attractive one. Such an approach has the capacity to differentiate between compilations that are truly the result of a principled view of authorship and worthy of full copyright and accompanying moral rights, and compilations that are less worthy but still protectable based on the sufficiency of the investment of labor and resources expended in their creation (much as is done in present circumstances through pragmatic constructions of originality in determining subsistence of copyright). Provided that these sui generis rights are carefully balanced with appropriate public interest permissions and defenses (and perhaps subject to mandatory licensing provisions in respect to single-source data as well), this article suggests that a suitable two-tiered regime could be a desirable way both to better protect databases in Canada, and, perhaps of equal utility, to reawaken presently dormant negotiations towards internationally harmonized treatment through a Database Treaty administered by the World Intellectual Property Organization (WIPO) on the same basis.

## I. OF PROTECTION AND ACCESS: DESCRIBING THE PUBLIC INTEREST JUSTIFYING PROTECTION OF DATABASES

It is as mother's milk for intellectual property lawyers to accept that perpetual intellectual property protection does not yield new stores of intellectual property perpetually any more than does more intellectual property law result in more intellectual property (though it probably does ensure more intellectual property lawyers). Protections must be balanced against other important interests not all of which are economic in character, notwithstanding that the dominant reason for protection may be an economic one. This section briefly sets out the nature of the public policy interests that justify protection of databases.

[3] Council Directive 96/9/EC, 1996 O.J. (L 77) 20.

The subject matter at issue here is sometimes referred to using the various terms of art that dominate in a given intellectual property law system (e.g., compilations, tables, or catalogues), but should be treated generically when considering the public interest in legal protection. For the purposes of this discussion, it may be easiest to refer to the generalized definition of databases as set out in the EU Database Directive: "collections of independent works, data or other materials which are systematically or methodically arranged and can be individually accessed."[4] Databases, then, need not be digitized works in electronic form, the modern association, but may include traditional paper-based collections of information. Though creative collections like anthologies of poetry would fit within this discussion as much as a collection of telephone numbers, the market is more interested in the latter. Through the use of innovative information technology, it is now possible to gather together, in one comprehensive work, a collection of data verified as accurate on a given subject. Business people recognize the commercial utility of such information resources, and estimates put the global database industry at tens of billions of dollars per year.[5] These collections of facts may be expensive to create, expensive to verify as accurate, expensive to maintain as comprehensive, and, not surprisingly, expensive to gain access to by consumers. Quite obviously, then, there is a strong national interest in encouraging the creation of new wealth in the form of such intellectual property, as well as facilitating its trade and accessibility to foster commercial interests within modern information-oriented economies. The utility of databases is thus an economic one, although these economic interests have to be balanced against the greater public interest in fostering specific uses that are socially significant—in other words, the basic

[4] *Id.* para. 17. Whether this is a desirable definition for the purposes of defining doctrine is another matter.

[5] *See Statutory Protection for Databases: Economic & Public Policy Issues: Hearing on H.R. 2652 Before the Subcomm. on Courts and Intellectual Property of the House Comm. on the Judiciary*, 105th Cong. (1997) (statement of Laura D. Tyson & Edward F. Sherry, Members, Info. Indus. Ass'n), *available at* http://www.house.gov/judiciary/41118.htm.

economic paradigm underlying much of intellectual property law generally.[6]

### *A. The Dominant Consideration: Economics of Databases*

With apologies to the well versed, and proceeding from the proposition that the public interest in this sort of utilitarian subject matter is intrinsically but not exclusively an economic one, it is helpful to begin by restating in broad terms the classical economic incentive paradigm. Intellectual property, or "information goods" as the economic literature would prefer, is generally more valuable when in the hands of consumers than producers. Thus, the goal of policymakers is to construct and maintain a system that enables such goods to be traded successfully in the market. Trading these goods allows producers to recoup investment, and competition between rivals leads to an optimally efficient market.[7] In such an optimal market, supply and demand reach an equilibrium price which alone drives production such that an optimal number of information goods are created using an optimal amount of the finite resources that may be made available for such purposes.[8] In such optimal conditions, the market is self-regulating and there is no need for regulatory intervention.[9]

The difficulty faced by those dealing with information goods is primarily attributable to their intangible nature.[10] The distribution and consumption of such goods does not diminish their availability and does not result in scarcity; they are "non-excludable" (once the good is produced, producers cannot exclude others from being benefited by it) with "non-rival" (there is no cost incurred in producing an additional good).[11] This public goods character of

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[6] *See generally* Kenneth Arrow, *Economic Welfare and the Allocation of Resources for Invention*, *in* THE RATE AND DIRECTION OF INVENTIVE ACTIVITY (1962), *reprinted in* INTELLECTUAL PROPERTY 5 (Peter Drahos ed., 1999) (presenting a classic formulation).

[7] *See id.* at 6–10.

[8] *See id.*

[9] *See id.*

[10] *See* Edwin C. Hettinger, *Justifying Intellectual Property*, *in* PHILOSOPHY & PUBLIC AFFAIRS (1989), *reprinted in* INTELLECTUAL PROPERTY: MORAL, LEGAL & INTERNATIONAL DILEMMAS 17, 19 (Adam D. Moore ed., 1997).

[11] *See id.* at 19–20. Thomas Jefferson's analogy to lighting one candle from the flame of another is widely referred to in the literature: "Its peculiar character, too, is that no one

intellectual property results in a situation where the fixed cost of independent creation tends to be very high, but the cost of reproduction and distribution tends to be very low—thus providing a strong incentive for rivals to "free ride" on the producer's investment of resources rather than invest independent resources to create these same goods or pay license fees.[12] Where the good is appropriated without payment by such a free rider and a copy is made available for sale, the original producer of the good faces competition in which the rival's sale price reflects only the marginal costs of reproduction.[13] If the producer must lower her price to compete with the free rider, the producer will not be able to recoup the investment in production.[14] If the producer doesn't lower her price, she recoups none of the investment and any incentive to produce evaporates.[15] This causes market failure. Thus, the allowance of free riding is highly undesirable as it disturbs the self-regulating market preventing optimal efficiency from being achieved.

The ease by which information goods can be appropriated by a rival gives rise to two welfare losses: underproduction (through lack of sufficient market pressure) and underutilization (where the price charged is not sufficiently attractive to consumers).[16] These effects can be addressed through regulation, either in the form of direct or indirect subsidy[17] (thus lowering the producer's fixed costs and transferring the cost of free-riding to consumers as a

possesses the less, because every other possesses the whole of it. He who receives an idea from me, receives instructions himself without lessening mine; as he who lights his taper at mine, receives light without darkening me." *Letter from Thomas Jefferson to Isaac McPherson* (Aug. 13, 1813), *reprinted in* 13 WRITINGS OF THOMAS JEFFERSON 333–34 (Thomas Jefferson Mem'l Ass'n ed., 1905), *cited in* SIVA VAIDHYANATHAN, COPYRIGHTS AND COPYWRONGS 24 (2001).

12 *See* Neil W. Netanel, *Copyright and a Democratic Civil Society*, 106 YALE L.J. 283, 292 (1996).

13 *See id.*

14 *See id.*

15 *See id.* at 293–94.

16 *See id.* at 293.

17 Some economists advocate subsidy systems. *See, e.g.*, Steven Shavell & Tanguy Van Ypersele, *Rewards Versus Intellectual Property Rights*, 44 J.L. & ECON. 525 (2001).

whole) or through the legal enforcement of a temporary monopoly in the form of property rights.[18]

Monopolies (created through property rights) give the producer the power to charge a supra-market price and to slow the dissemination of these goods in the market.[19] The strength of the right is important as the fixed costs of potential entrants into the market are affected, the more the potential rival can "borrow" from the producer without payment, the lower the costs of production, as licensing costs, independent research, and other transaction costs are saved.[20] The danger, then, is that "while trying to diminish the social welfare loss due to underproduction, the welfare loss due to underutilization is increased."[21] The content and features of the created right then become crucial. The duration of the right (its length), the subject matter that it encompasses (the depth of the copyright), and the nature of what acts are considered infringing (the breadth of the right) are all significant. In determining the content of the right and its overall strength, there is a need to balance the desire to maintain an adequate incentive to create information goods (favoring a high degree of protection) and the full availability of such goods to those in the market that are willing to pay at least the costs of production (favoring a low degree of protection).[22] According to Posner and Landes, the most important implications of this welfare model in relation to copyright works are that the optimal amount of protection is higher for classes of subject matter that are more valuable socially, and that increasing copyright above the optimal level leads to the

[18] *See* Netanel, *supra* note 12, at 293.

[19] *See id.* This description is admittedly crudely drawn. This Article does not include, for example, consideration of price discrimination to mitigate against the negative effects of deadweight loss. These issues are covered admirably elsewhere. *See, e.g.*, Jonathan Putnam, *Copyright and the New Economy*, *in* INTELLECTUAL PROPERTY AND INNOVATION IN THE KNOWLEDGE-BASED ECONOMY (Jonathan Putnam ed., forthcoming 2002); Wendy J. Gordon, *Intellectual Property as Price Discrimination: Implications for Contract*, 73 CHI.-KENT L. REV. 1367 (1998).

[20] *See* Netanel, *supra* note 12, at 293.

[21] Constanze Thönebe, *The Legal Protection of Databases in Europe—An Economic Analysis* 14 (2000) (unpublished dissertation, Université Aix-Marseille III).

[22] *See* Netanel, *supra* note 12, at 293.

production of more works but with lower welfare per work.[23] This, then, presents the fundamental dilemma for policymakers in structuring legal rules to achieve more efficient market conditions: without a legal monopoly, too little information will be produced; but with a legal monopoly, too little information will be used.[24]

Databases, in contrast, rely primarily on their comprehensiveness and accuracy to make them attractive in the market.[25] The costs of production generally fall to gathering, maintaining, and verifying information, as well as presenting it in a suitable format with appropriate user-friendly tools. One would be less willing to use a database without some degree of confidence that the contents are accurate as of the date of use, regardless of product qualities such as an electronic search facility's ease of use. Thus, the degree to which databases are updated and their contents verified as accurate is vital.[26] Indeed, this is an important issue that the economic model must grapple with: Can legal protection provide an adequate incentive for producers to update their works, while tailoring the right to avoid updating that is not socially useful? Crucial in the incentive structure is the term of the right and the conditions that must be satisfied in order to continue or reacquire the right.

### *B. Balancing Protection of Databases: The Public Interest in Access to Data*

No matter how one frames the issue,[27] ultimately the public interest is in balancing protection with those uses that are so

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[23] *See* William M. Landes & Richard A. Posner, *An Economic Analysis of Copyright Law*, 18 J. LEGAL STUD. 325, 343–44 (1989).

[24] *See id.*

[25] Christian Koboldt, *The EU Directive on the Legal Protection of Databases and the Incentives to Update: An Economic Analysis*, 17 INT'L REV. L. & ECON. 127, 131 (1997).

[26] *See id.* at 131.

[27] One may frame the issue in terms of the "idea-expression dichotomy," but, as the English courts note, it all depends on what you mean by an "idea" and it may be best to avoid these types of aphorisms altogether, *see* L.B. (Plastics) Ltd. v. Swish Prods. Ltd., 1979 R.P.C. 551, 629 (H.L.); or what is a "work," *see* Ibcos Computers Ltd. v. Barclays Mercantile Highland Fin. Ltd., 1994 F.S.R. 275 (Ch.); or a concern for the public domain, *see* David Lange, *Recognizing the Public Domain*, 44 LAW & CONTEMP. PROBS. 147 (1981); LAWRENCE LESSIG, THE FUTURE OF IDEAS: THE FATE OF THE COMMONS IN A WIRED WORLD (2001); Yochai Benkler, *Free as the Air to Common Use: First*

socially significant that the law must permit them over the presumptive objections of the rights-holder. Although it may be desirable to encourage investment in databases because they represent new sources of wealth and new resources for wealth-creation, it is equally desirable that both the underlying data as well as the database itself remain accessible; otherwise, the rights-grant may not be sufficiently favorable to justify its recognition.

Professor Paul David takes the position that the present international regime of ever-strengthening copyright protection, and specifically the copyright protection of databases, threatens to retard progress.[28] Moreover, he argues, increased rights in information technology present a range of access issues that have largely been smothered in the public consciousness by the more emotive issue of intellectual property rights in genetic material.[29] Of crucial importance to David are threats to scientific research and the institutional infrastructure of "open collaboration" in such research.[30] These concerns have been addressed elsewhere, including extensive literature by Maurer[31] and others[32] that has led

*Amendment Constraints on Enclosure of the Public Domain* 74 N.Y.U. L. REV. 354 (1999); Robert C. Denicola, *Freedom to Copy*, 108 YALE L.J. 1661 (1999); Jessica Litman, *The Public Domain*, 39 EMORY L.J. 965 (1990); or through slogans like "information wants to be free," *see* STEWART BRAND, THE MEDIA LAB: INVENTING THE FUTURE AT MIT 202 (1987); or based on the position that the digital context makes legal protections redundant and attempts to enforce legal regimes that are wasteful and wrong when we should be creating new systems, *see* John Perry Barlow, *The Economy of Ideas: Selling Wine Without Bottles on the Global Net*, *in* INTELLECTUAL PROPERTY: MORAL, LEGAL AND INTERNATIONAL DILEMMAS (Adam D. Moore ed., 1997), *available at* http://www.eff.org/~barlow/EconomyOfIdeas.html.

[28] *See* Paul A. David, *A Tragedy of the Public Knowledge 'Commons'? Global Science, Intellectual Property and the Digital Technology Boomerang* (2000), *at* http://www.oiprc.ox.ac.uk/EJWP0400.pdf (last modified Sept. 10, 2000).

[29] *See id.*

[30] *See id.*

[31] *See* Stephen M. Maurer, *Raw Knowledge: Protecting Technical Databases for Science & Industry*, *in* COMM. FOR A STUDY ON PROMOTING ACCESS TO SCIENTIFIC AND TECHNICAL DATA FOR THE PUBLIC INTEREST COMM'N ON PHYSICAL SCIENCES, MATHEMATICS, AND APPLICATIONS, NAT'L RESEARCH COUNCIL, PROCEEDINGS OF THE WORKSHOP ON PROMOTING ACCESS TO SCIENTIFIC AND TECHNICAL DATA FOR THE PUBLIC INTEREST: AN ASSESSMENT OF POLICY OPTIONS app. C at 337–76 (1999).

[32] *See* Stephen M. Maurer & Suzanne Scotchmer, *Database Protection: Is it Broken and Should We Fix It?*, 284 SCI. 1129 (1999); Stephen M. Maurer et al., *Europe's Database Experiment*, 294 SCI. 789 (2001) [hereinafter Maurer et al., *Europe's Database*

to criticism of extended database protection in Canada on this and other bases.[33] While acknowledging the appropriation problem tending to market failure, David criticizes an over-dependency on proprietary protections:

> The problem is not so much intellectual property rights mechanism itself, which although imperfect, has been found to work well enough when it comes to stimulating private investment in the exploitation of commercial opportunities based upon existing bodies of scientific and engineering knowledge. What is more problematic for the long run, however, is that an unchecked bias towards expanding of the domain of information goods within which private property institutions and market mechanisms flourish, is steadily encroaching upon the domain of public information. In doing so, it has tended to weaken, and may in the end seriously undermine those non-market institutions which historically have proved themselves to be especially effective in sustaining rapid growth in the scientific and technological knowledge base that is available to be exploited.[34]

David goes on to argue that the availability of a communications infrastructure that allows for the sharing and efficient searching of relevant information will go unexploited, with negative effects for both the organization and funding of research projects in the future (especially since government subsidies to scientists have been reduced in recent years).[35] All of this leads to the "digital dilemma," the resolution of which has, thus far, favored producers at the expense of the public domain:

> As a consequence of the construction of novel and potentially legal rights in intellectual property, and the encouragement of public and quasi-public institutions in

*Experiment*]; Stephen M. Maurer et al., *Science's Neglected Legacy*, 405 NATURE 117 (2000) [hereinafter Maurer et al., *Science's Neglected Legacy*].

[33] *See* Suzanne A. Scotchmer & Stephen M. Maurer, *Across Two Worlds: Database Protection in the US and Europe*, *in* INTELLECTUAL PROPERTY AND INNOVATION IN THE KNOWLEDGE-BASED ECONOMY (Jonathan Putnam ed., forthcoming 2002).

[34] David, *supra* note 28, at 3.

[35] *See id.* at 5, 16.

> making use of these to attract private sector funding as a way of meeting the high first-costs of making digitized archives available on electronic networks, larger and larger portions of the public data "commons" are being "enclosed" and transformed into private monopolies.[36]

David is not alone in raising these concerns. The question of the impact of database protection on scientific research was one of the matters that was the subject of inquiries by WIPO during the failed attempt to create a Database Treaty, and a range of respondents indicated their concern that the need to ensure the free circulation of data in the interest of scientific research be maintained in any protection system.[37] The United Nations Educational, Scientific and Cultural Organization (UNESCO) observed:

> Databases financed with public funds, whose purpose is the efficient accomplishment of public-interest missions (at both the national and the international level), cover a variety of very extensive fields. UNESCO and the World Meteorological Organization (WMM), for instance, produce this kind of database in connection with subjects like earth sciences, the environment, ecology, water, oceanography or space . . . . The rules that will govern exchanges involving this type of database and databases produced for commercial purposes should not, therefore, be derived from the logic of competitive exploitation which is a feature of commerce. For the scientific community, the public-interest mission underlying the raison d'être of databases produced by public institutions is sufficient in itself to make people acknowledge that their producers should be allowed free and full access, on a non-discriminatory basis, to all sources of data (in whatever

[36] *Id.* at 7.

[37] *See* Int'l Bureau, WIPO, *Information Meeting on Intellectual Property in Databases*, WIPO Doc. DB/IM/4 (Sept. 4, 1997) (including an analytic table of questions raised upon which consultation was sought), *available at* http://www.wipo.org/eng/meetings/infdat97/pdf/db_im_4.pdf; *Report*, WIPO Doc. DB/IM/6 (Sept. 19, 1997), *available at* http://www.wipo.org/eng/meetings/infdat97/pdf/db_im_6.pdf.

form) that might be useful for updating the databases and improving their performance.[38]

The resolution of this issue is a difficult one once proprietary entitlements enter the picture. Some argue that the best solution is extra-legal in the sense of voluntary agreements to enforce rights only against certain uses or users. Thus, Reichman and Uhlir have recently presented a working paper with the outlines of a top-down voluntary system ("a dynamic e-commons"), similar to Stallman's GNU open-source license scheme,[39] which would essentially form a public interest cooperative of scientific researchers who are also rights-holders.[40] This association of public-spirited scientists would license to industry but give free access to data for pure research purposes, all secured by contract.[41] It would be administered by funding agencies, universities, and research bodies and would, it is suggested, benefit industry by providing more opportunities for commercialization of research.[42] The underlying premise is to encourage pure science while recognizing the large financial support received by the scientific community, directly or indirectly, through public funds leading to commercial restrictions on developed data.[43] It relies to an extent, as the authors acknowledge, on the formal inability of the American government to control public information through proprietary copyright protection, which places such information into the unprotectable public domain.[44] The same is not true in Europe, Canada, or in the

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[38] UNESCO, *Observations,* WIPO Doc. DB/IM/5 (Sept. 15, 1997), *available at* http://www.wipo.org/eng/meetings/infdat97/pdf/db_im_5.pdf. *See also* NATIONAL RESEARCH COUNCIL, BITS OF POWER: ISSUES IN GLOBAL ACCESS TO SCIENTIFIC DATA (1997); Severine Dusollier et al., *Copyright and Access to Information in the Digital Environment*, 34 COPYRIGHT BULL. 4 (2000).

[39] *See* David McGowan, *The Legal Implications of Open Source Software*, 2001 U. ILL. L. REV. 241; Richard Stallman, *Why Software Should Be Free*, *at* http://www.gnu.org/philosophy/shouldbefree.html.

[40] *See* J.H. Reichman & Paul F. Uhlir, *Promoting Public Good Uses of Scientific Data: A Contractually Reconstructed Commons for Science and Innovation* (2001), *at* http://www.law.duke.edu/pd/papers/ReichmanandUhlir.pdf.

[41] *See id.*; J.H. Reichman & Paul F. Uhlir, *Database Protection at the Crossroads: Recent Developments and their Impact on Science and Technology*, 14 BERKELEY TECH. L.J. 793 (1999).

[42] *See* Reichman & Uhlir, *supra* note 40.

[43] *See id.*

[44] *See id.*

U.K. and, thus, the model may not be attractive as an international solution.[45] In any case, it will be interesting to see both the final version of this proposal and the reaction of the academic research community.

The question of access to scientific data is a very emotive issue. Neither Maurer,[46] David,[47] nor UNESCO[48] suggests that scientists who benefit from some form of public subsidy voluntarily eschew intellectual property rights in their inventions or other rights-bearing vehicles in the way that Reichman and Uhlir do.[49] Some dissenting voices argue that the collaborative tradition might in fact immunize scientists against the rise of greater legal protections in databases.[50] Dissenters also argue that the threat of databases' monopoly pricing upon which scientists rely is exaggerated and market forces may supply correction.[51] These claims complicate matters for decision makers. This author will resist the temptation to offer his own voice in support of one position or another to this vexing issue as he has presented the problem here as indicative of the need to balance access rights to data in crafting the legal treatment of databases, regardless of whether protections are framed as proprietary or liability models. However, this author believes that even this cursory review of the literature and the positions advanced by interested parties makes it clear that such questions of public interest exemptions from liability for scientific research cannot be determined through abstract questions of the public good by non-interested parties, no matter how well-meaning, and are complicated by the automatic entitlements that flow necessarily from a proprietary approach. In practice, the reliance on proprietary protection, which is an all-or-

[45] *See id.*

[46] *See* Maurer, *supra* note 31.

[47] *See* David, *supra* note 28.

[48] *See* UNESCO, *supra* note 38.

[49] *See* Reichman & Uhlir, *supra* note 40.

[50] *See, e.g.*, Michael Freno, *Database Protection: Resolving the U.S. Database Dilemma with an Eye Toward International Protection*, 34 CORNELL INT'L L.J. 165, 190 (2001). *But see* J.H. Reichman & Pamela Samuelson, *Intellectual Property Rights in Data?*, 50 VAND. L. REV. 51, 115 (1997) (noting that the scientific community shares data in a way that would protect it from commercial data providers).

[51] *See* Kenneth W. Dam, *Intellectual Property and the Academic Enterprise*, *in* THE CHANGING CHARACTER, USE AND PROTECTION OF INTELLECTUAL PROPERTY 32–33 (1999).

nothing equation absent a specific permission or defense to cover the specific use, encourages the tendency to shape originality doctrine to produce a desired consequence. This author suggests that a more meaningful approach would be one oriented to asking the more difficult questions (when to protect databases, on what basis, and to what degree), which does not fit well within an exclusively proprietary approach.

## II. COPYRIGHT PROTECTION OF DATABASES: CANADIAN AND COMPARATIVE LAW

Currently, in compliance with international agreements and established precedent, Canada protects databases through copyright law, which affords protection to compilations created by the selection and arrangement of literary, dramatic, musical, or artistic works (or parts of those works), and to the selection and arrangement of data as a literary work under the Copyright Act.[52] Revision of doctrine regarding the core criterion of originality in compilations in Canada has been on the horizon in recent years due to three significant developments: the decision of the United States Supreme Court in 1991 to alter the construction of the originality standard under the American statute,[53] Canada's accession to NAFTA in 1992,[54] and the adoption of the Database Directive by the European Union in 1996.[55] This section will examine the present Canadian copyright protection in the context of the

[52] Copyright Act, R.S.C., ch. C-42 (2001) (Can.) [hereinafter Canadian Copyright Act], *available at* http://laws.justice.gc.ca/en/C-42/text.html. The Canadian Copyright Act was amended to comply with the North American Free Trade Agreement, Dec. 17, 1992, art. 1705(1)(b), 32 I.L.M. 605 [hereinafter NAFTA], with respect to defining compilations through the North American Free Trade Agreement Implementation Act. *See* North American Free Trade Agreement Implementation Act, ch. 44, § 53(3), 1993 S.C. (Can.), *available at* http://laws.justice.gc.ca/en/N-23.8/text.html. The Canadian Copyright Act does preserve protection of tables as compilations, and in the past the two have been used as inter-changeable terms. *See* Tele-Direct (Publ'ns) Inc. v. Am. Bus. Info. Inc., [1998] 2 F.C. 22 (Can. 1997); Chappell & Co. Ltd. v. Redwood Music Ltd., 2 All E.R. 817, 820, 824 (H.L. 1980).

[53] *See* Feist Publ'ns, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340 (1991).

[54] *Supra* note 52.

[55] *See supra* note 3.

British[56] and American approaches and evaluate the utility of a proprietary approach through the copyright law per se.

It is useful to begin by recognizing that the debate over the appropriate treatment of databases through copyright is quite reflective of both the inherent tensions that arise in protecting such subject matter and the shifting nature of copyright law. This is as true across jurisdictions as in the Canadian context. The inhibition that the law places upon those wishing to use what some see as common cultural property requires a continuing reassessment of the justification of such intrusion. Various approaches are commonly advanced and the arguments that are constructed are shaped by the legal systems and cultures in which they are rooted.[57] Ultimately, dispassionate observers can only conclude that answers provided by such competing visions necessarily flow from the manner in which questions are framed, with unfortunate complications arising for policymakers charged with determining the public interest. Indeed, that such complications arise in reality and not merely in theory is well borne out by the unfortunate division of the Supreme Court of Canada in the recent *Theberge* litigation.[58] This inability to define a singular justification for copyright protection (and legal model arising therefrom, a universal theory of copyright as it were) is no bad thing. To hold otherwise is to presume that such a singular approach is possible

[56] The pre-1998 British law is still relevant to the protection of computer programs.

[57] *See* PAUL GOLDSTEIN, INTERNATIONAL COPYRIGHT § 1.1 (2001). Teleological approaches focus on the economic implications of legal protections for market efficiency and greater social welfare and proceed based on the desirability of forecasted consequences. As one might expect, contemporary "law and economics" scholars have been influential in setting this policy agenda in recent years. Deontological approaches, whether based on a Kantian concern for the creators of copyrighted works (an ethical reluctance to regard an author as a means to an end, rather than as an end in herself) or some Hegelian construction (the creator's self-identity in a civil society is acknowledged by others through the property grant in the work that he has created), are creator-centered and tend to revolve around questions of duty and desert. In copyright, one often finds these arguments arising when considering the nature of "authorship." These deontological arguments adapt easily to the access-concerned approach that rightly features on the Internet and in different communities, and fits neatly into much of the rights-theory scholarship in contemporary legal theory, as well as civilian *droit d'auteur* traditions.

[58] Galerie d'art du Petit Champlain Inc. v. Théberge, [2002] 17 C.P.R.4th 161 (Can.); *see also infra* notes 199, 201.

and desirable. The goal of examining competing models is not to settle this ongoing debate, but to participate in it. We should think of the law of copyright as a process to meet diverse aims, rather than the sole solution to a singular problem.

Copyright doctrine in all three jurisdictions reviewed below—the United Kingdom,[59] the United States,[60] and Canada[61]—reveals an uncertain and inconsistent level of protection of databases through artificial construction of the core question of originality, made worse at times by a liberal sprinkling of legal fiction. Perhaps of greater concern, the present proprietary models do not adequately speak to either the economic justification for protection of databases as copyrightable works; nor do they provide an adequate structure to balance competing interests regarding such works. This uncertainty is quite undesirable—it adds expense and encourages the use of informal protections which are as equally capable of over-constraining data as more formal models.

### *A. The International Context*

The Berne Convention (hereinafter "Berne") is the oldest of the international intellectual property treaties.[62] It establishes the international treatment of copyright protection to give effect to the core principle of national treatment.[63] The treaty seeks to maintain a system of protection that requires no formalities for copyright, and where the protection attaches independently of other legal treatment.[64] Berne aims to establish a union of contracting states in which certain minimum protections are afforded and enforced for the protection of authors; it does not, however, dictate the manner in which signatories structure their own laws or the norms that feature in the national systems of contracting states.[65] Berne,

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[59] *See infra* Part III.B.

[60] *See infra* Part III.C.

[61] *See infra* Part III.D.

[62] *See* Berne Convention for the Protection of Literary and Artistic Works, Sept. 9, 1886, 25 U.S.T. 1341, 828 U.N.T.S. 221 [hereinafter Berne]. Canada became a signatory to the Convention as a sovereign power in 1928, and to the latest revision on June 26, 1998, though its law was in substantive compliance.

[63] *See id.*

[64] *See id.*

[65] *See id.*

then, is neutral as to how states effectuate compliance (whether through enabling legislation or through self-execution), bearing in mind their own constitutional structures and legal cultures.[66] The Berlin Revision added article 2(5) in 1909, which provides:

> Collections of literary and artistic works such as encyclopaedias and anthologies which, by virtue of the selection and arrangement of their contents, constitute intellectual creations, shall be protected as such, without prejudice to the copyright in each of the works forming part of such collections.[67]

There are two points that bear examination: subject matter and subsistence. In terms of definition, article 2(5) seems tied to collections of works that are themselves independently protectable as literary works, rather than mere data.[68] It is not entirely clear whether this restriction is consistent with the earlier provisions of article 2, which cover the range of protectable subject matter, such that data may not be included subject to other requirements being fulfilled.[69] There is no authoritative interpretation to settle the issue. Second, the term "intellectual creation" is used in relation to collections specifically,[70] and not regarding literary works in general under article 2(1),[71] though it does seem to be implicit in the more generalized provisions.[72] The natural question which arises, and which has featured prominently in the Canadian jurisprudence regarding similar provisions in NAFTA, is whether Berne intends a specific standard or whether this is a matter of national appreciation. The phrase itself is not a matter of agreed-upon guidelines within Berne.[73] Professor Sam Ricketson's

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[66] *See* SAM RICKETSON, THE BERNE CONVENTION FOR THE PROTECTION OF LITERARY AND ARTISTIC WORKS: 1886–1986 at 130–31 (1987); WILHELM NORDEMANN ET AL., INTERNATIONAL COPYRIGHT AND NEIGHBORING RIGHTS LAW 20 (R. Livingston trans., 1990) (1977).

[67] Berne, *supra* note 62, art. 2(5).

[68] *See id.*

[69] *See* DANIEL GERVAIS, THE TRIPS AGREEMENT: DRAFTING HISTORY AND ANALYSIS 82 (1998).

[70] *See* Berne, *supra* note 62, art. 2(5).

[71] *See id.* art. 2(1).

[72] *See id.*

[73] *See* Berne, *supra* note 62.

authoritative analysis is that Berne is a matter to be left to signatory states for implementation, notwithstanding that differing results might occur in the protection of factual compilations.[74] Ricketson concludes that the Berne Convention is cognizant of the common law approach to copyright that might accommodate unfair competition norms, despite its debasement of a purer concept of creativity-centered authorship.[75]

As part of the general trend to international approximation, if not harmonization of laws, an augmented version of the Berne standard has been brought into both TRIPS, administered by the World Trade Organization (WTO), and the WIPO Copyright Treaty in largely the same terms.[76] These treaties incorporate and build upon the existing Berne standards, and in relation to databases, represent a codification of existing practice rather than creation of new norms,[77] except in so far as they mandate the inclusion of compilations of data within the protection of literary works.[78] While some argue that TRIPS departs from the general rule, leaving questions of originality to contracting states by tying a substantive standard to the selection and arrangement of data,[79] resolution of this issue is far from clear and this author would dispute the conclusion that it is now definitively settled.

The important point in considering these various international and regional dimensions of intellectual property protection is to

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[74] *See* RICKETSON, *supra* note 66, at 301; J.A.L. STERLING, WORLD COPYRIGHT LAW 254–55 (1998).

[75] *See* RICKETSON, *supra* note 66, at 901; Sam Ricketson, *"Reaping Without Sowing": Unfair Competition and Intellectual Property Rights in Anglo-Australian Law*, 7 U. NEW S. WALES L.J. 1 (1984).

[76] *See* Agreement on Trade-Related Aspects of Intellectual Property Rights, April 15, 1994, Marrakesh Agreement Establishing the World Trade Organization [hereinafter WTO Agreement], Annex 1C, LEGAL INSTRUMENTS—RESULTS OF THE URUGUAY ROUND vol. 31, 33 I.L.M. 81 (1994) [hereinafter TRIPS]; WIPO Copyright Treaty, art. 5, 36 I.L.M. 65 (1997) (adopted in Geneva, Dec. 20, 1996), *available at* http://www.wipo.int/clea/docs/en/wo/wo033en.htm.

[77] *See* MICHAEL BLAKENEY, TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS: A CONCISE GUIDE TO THE TRIPS AGREEMENT 50 (1996).

[78] *See* Paul Katzenberger, *TRIPS and Copyright Law*, *in* FROM GATT TO TRIPS—THE AGREEMENT ON TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS 84–85 (Friedrich-Karl Beier & Gerhard Schricker eds., 1996).

[79] *See* Sunny Handa, *A Review of Canada's International Copyright Obligations*, 42 MCGILL L.J. 961, 976–78 (1997).

differentiate what is a minimum standard of protection from what is required by national jurisdictions as a mandatory method in providing that minimum threshold of protection. These treaties mandate neither a creativity-linked nor an industrious collection standard; they merely assert the traditional position that data are not independently protectable subject-matter in copyright as these individual items necessarily fail to meet the requirement that they be the product of the author's own efforts. An argument that one approach or another stems from these international agreements fails to address the desirability of a proprietary approach to the problems inherent in protecting factual collections and ignores the systemic dimensions of national copyright protection.

### *B. The United Kingdom*

It is beyond the scope of this paper to try and present a historical analysis of the protection of compilations as literary works in British copyright law.[80] What can be taken from an analysis is that from a general interest in protecting mental labor and creativity in the older cases there developed a more refined, more mercantile, and more pragmatic attempt to bring some doctrinal order to a morass of judgments and statutes relevant to copyright protection in the latter half of the 19th century.[81] As today, much of this change was part of an international agenda of reform that was market and technology-driven.[82] Thus, just as copyright in the first copyright statute, the Statute of Anne,[83] was a legislative reaction to the new technology of movable type, the first (but confined) statutory requirement of originality was the legislative reaction to Daguerre's invention of a chemical process

[80] It is a large subject due to a myriad of pre-modern cases and interested readers would do well to consult Sherman and Bentley's fine history of British intellectual property law thru 1911 to gain an overall appreciation of developments in this area. *See* BRAD SHERMAN & LIONEL BENTLY, THE MAKING OF MODERN INTELLECTUAL PROPERTY LAW (1999).

[81] *See id.*

[82] *See* WIPO, INTRODUCTION TO INTELLECTUAL PROPERTY THEORY AND PRACTICE 385 (1997).

[83] 1709, 8 Ann., c. 19 (Eng.).

to develop photographic plates in 1839.[84] Development of the originality standard became tied up with both the protection of creativity and investment; however, it was the latter value that came to dominate when the requirement became of general application in the codification of existing jurisprudence for the copyright protection of literary, dramatic, musical and artistic works in the Copyright Act of 1911.[85] The 1911 Act was also significant in that it expressed for the first time in statute form that "compilations" were protectable as literary works, [86] though there was a good deal of litigation that settled the point in the affirmative from very early on.[87]

For present purposes, it is sufficient to present a model of the current doctrine. It is important to note that original compilations (other than databases) remain protectable as literary works under the Copyright, Designs, and Patents Act 1988.[88] The terms of the Database Directive exclude the protection of computer programs from its operation, and thus, the situation that existed before the implementation of the Database Directive continues with regard to software.[89] Given the wide definition of a database in the Directive,[90] whether there is any scope in the statute for compilations that are neither databases nor computer programs seems to be an open question.

The 1988 Act provides that copyright may subsist in original literary works in the form of tables or compilations (other than databases);[91] similar provisions existed in the 1911[92] and 1956[93]

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[84] *See* Graves's Case, 4 L.R.-Q.B. 715, 715 (Eng. 1869) (holding the Fine Art Copyright Act 1862 required originality respecting the protection of paintings, drawings, and photographs).

[85] Copyright Act of 1911, 1 & 2 Geo. 5, c. 46 (Eng.).

[86] *See id.*

[87] Interestingly for lawyers, much of that case law concerned law reports. *See, e.g.*, Sweet v. Benning, 139 Eng. Rep. 838 (C.P. 1855); Hodges v. Smith & Welsh, 2 Ir. Eq. 266 (1840); Sweet v. Maugham, 59 Eng. Rep. 793 (V.C 1840); Sweet v. Shaw, 8 L.J.R. 216 (Eng. Ch. 1839); Saunders v. Smith, 40 Eng. Rep. 1100 (Ch. 1838); Butterworth v. Robinson, 31 Eng. Rep. 817 (Ch. 1801); Gyles v. Wilcox, 26 Eng. Rep. 489 (Ch. 1740).

[88] Copyright, Designs and Patents Act 1988, c. 1, § 3(1) (Eng.) [hereinafter Copyright Act of 1988].

[89] *See* Council Directive 96/9/EC, *supra* note 3.

[90] *See id.*

[91] *See* Copyright Act of 1988.

Acts. No definition is given to the terms "original literary work," "table," or "compilation."[94] The differences between tables and compilations are implicitly regarded as slight.[95] While a compilation is a collected body of material where the author's contribution is found in the arrangement, selection or collection of the various elements, a table is a systematic listing of facts with the contribution of the author found in the design or choice of the organizing system.[96] The two terms obviously overlap and for that reason the term compilation is used generically in the cases.[97]

While there is a great deal of authority on the presence or absence of originality in compilations, the definitional issue is not featured as a controlling device. Courts have held that the elements included within the compilation need not themselves be independently protectable in copyright and all types of subject matter can be included.[98]

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[92] *See* Copyright Act of 1911, 1 & 2 Geo. 5, c. 46, § 35(1) (Eng.).

[93] *See* Copyright Act of 1956, 4 & 5 Eliz. 2, c. 74, § 48(1) (Eng.).

[94] *See* Copyright Act of 1988.

[95] *See* KEVIN GARNETT ET AL., COPINGER & SKONE JAMES ON COPYRIGHT 62–65 (13th ed. 1991).

[96] *See id.*; 1 HUGH LADDIE ET AL., THE MODERN LAW OF COPYRIGHT AND DESIGNS 67 (3d ed. 2000).

[97] *See* GARNETT ET AL., *supra* note 95, at 62–63.

[98] *See, e.g.*, Matthewson v. Stockdale, 33 Eng. Rep. 103 (Ch. 1806) (receipt books); Church v. Linton, [1894] 25 O.R. 131 (Can.) (receipt books); Blacklock v. Pearson, [1915] 2 Ch. 376 (Eng.) (index of timetables); Jarrold v. Houlston, 69 Eng. Rep. 1294 (1857) (questions and answers on matters of scientific interest); Collis v. Cater, 78 L.T.R. 613 (Eng. 1898) (trade catalogues); Purefoy v. Sykes Boxall, 72 R.P.C. 89 (Eng. 1955) (trade catalogues); Maple & Co. v. Junior Army and Navy Stores, 21 Ch. D. 369 (Eng. 1882) (advertisements with trading details); Kelly v. Morris, 1 L.R.-Eq. 697 (Eng. 1866) (street directories); Morris v. Ashbee, 7 L.R.-Eq. 34 (Eng. 1868) (street directories); Ladbroke (Football) Ltd. v. William Hill (Football) Ltd., [1964] 1 W.L.R. 273 (Eng.) (lists of football fixtures); Football League v. Littlewoods, 1959 Ch. 637 (Eng.) (coupons listing football wagers); Ibcos Computers Ltd., 1994 F.S.R. 275 (Eng. Ch.) (computer programs); Cantor Fitzgerald Int'l v. Tradition (U.K.) Ltd., 2000 R.P.C 95 (Eng. Ch. 1999) (computer programs); Mars U.K. Ltd. v. Teknowledge Ltd. (No.1) 2000 F.S.R 138 (Eng. Ch.) (computer programs); Kenrick v. Danube Collieries, 39 W.R. 473 (Eng. Ch. 1891) (mining reports); Stevens & Sons v. Waterlow & Sons Ltd., 41 JP 37 (Eng. Ch. D. 1877) (trade information); Cox v. Land and Water Journal Co., 9 L.R.-Eq. 324 (Eng. 1869) (hunting information); Independent Television Publ'ns Ltd. v. Time Out Ltd., 1984 F.S.R 64 (Eng. Ch.) (television listings); Trade Auxiliary Co. v. Middlesbrough and District Tradesmen's Protection Ass'n, 40 Ch. D. 425 (Eng. 1889) (details of land sales and deeds); Nisbet (J.) & Co. Ltd. v. The Golf Agency, 23 T.L.R. 370 (Eng. 1907)

The construction of the originality requirement in British copyright law is clearly not one that seeks to set the high creativity-linked standard of civilian *droit d'auteur* systems as a minimum threshold, but operates as a de minimus control to filter out that which lacks even the slightest literary composition with reference to the skill, judgment and labor expended by the author in the creation of the work.[99] It is, as it is widely regarded, a "sweat of the brow" standard.[100] The most oft-cited description of the dominant British approach to the originality requirement is that of Judge Peterson in *University of London Press Ltd. v. Universal Tutorial Press Ltd.*:

> The word "original" does not in this connection mean that the work must be the expression of original or inventive thought. Copyright Acts are not concerned with the originality of ideas, but with the expression of thought, and, in the case of "literary work," with the expression of thought in print or writing. The originality which is required relates to the expression of the thought. But the Act does not require that the expression must be in an original or novel form, but that the work must not be copied from another work -it should originate from the author.[101]

Clearly, the construction of the originality requirement does not speak to any required reflection of the personality of the author in the work, nor novelty of thought. Further, it is not aided by the types of American "copyrightability" concerns that prevent certain types of expressions from being characterized as anything more than an unprotectable idea. Copyright in the functional field is used to compensate for the lack of what Professor Cornish has sometimes called "a roving concept of unfair competition,"[102] and

(biographical details of golfers); Weatherby & Sons v. Int'l Horse Agency and Exch. Ltd., [1910] 2 Ch. 297 (Eng.) (horse breeding details); J. Whitaker & Sons Ltd. v. Publishers' Circular Ltd., 1946 Mac. C.C. 10 (Eng. K.B.) (a list of books); Leslie v. Young, 1894 A.C. 335 (Eng.) (a list of railway stations).

[99] *See* Univ. of London Press Ltd. v. Universal Tutorial Press Ltd., [1916] 2 Ch. 601, 608 (Eng.); *Ladbroke (Football)*, [1964] 1 W.L.R. at 291 (Eng.); Walter v. Lane, 1900 A.C. 539 (Eng.).

[100] *Univ. of London Press*, [1916] 2 Ch. at 601.

[101] *Id.* at 608–09.

[102] *See generally* W.R. CORNISH, INTELLECTUAL PROPERTY (3d ed. 1996).

is reflective of a pragmatic and practical approach in a system that has a mercantile rather than natural-rights based orientation. Not coincidentally, the same conceptual problems that are raised regarding the utility of a tort of unfair competition[103] are raised regarding the originality requirement with respect to compilations. The idiosyncratic, subjective judicial scrutiny of the micro-morality of certain types of transactions through a generalized tort, as well as a more transparent approach to the issues when obscured in the language of copyright are avoided.

What is required, then, for subsistence, is a showing of "substantial labour, skill, or judgment,"[104] which need not be large,[105] just more than a trivial effort.[106] However, there is no real guiding principle as to the extent and nature of this desired effort.[107] In the case of compilations, merely selecting the elements for inclusion, such as quotations from an interview, will suffice.[108] The difficulty, of course, is in leaving the disposition of the issue on such terms to the trier of fact where, in Lord MacMillan's words, "the question must always be one of degree and on questions of degree different minds may naturally reach different conclusions."[109] Although flexibility is preferred to certainty, it causes higher administrative costs in the functional field that are ultimately borne by consumers.

In terms of infringement, the action was once brought under one of two theories, piracy (unauthorized and substantial copying) or literary larceny ("the illegitimate appropriation of the fruits of the author's labor embodied in" the work).[110] The law now

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[103] *See* Moorgate Tobacco Co. Ltd. v. Philip Morris Ltd. (No. 2), [1984] 156 C.L.R. 414 (Austl.); MacDonald v. Vapour Canada Ltd., [1976] 66 D.L.R.3d 1 (Can.); ANSELM KAMPERMAN SANDERS, UNFAIR COMPETITION LAW 52–54 (1997).

[104] *Ladbroke (Football)*, [1964] 1 W.L.R. at 285–88.

[105] *See* LADDIE ET AL., *supra* note 96, at 86.

[106] *See* Autospin (Oil Seals) Ltd. v. Beehive Spinning, 1995 R.P.C. 683 (Eng. Ch.).

[107] *See* Cambridge Univ. Press v. Univ. Tutorial Press Ltd., 45 R.P.C. 335 (Eng. Ch. 1928).

[108] *See* Express Newspapers plc. v. News (U.K.) Ltd., [1990] 1 W.L.R. 1320 (Eng. Ch.); *Ladbroke (Football)*, [1964] 1 W.L.R. at 273.

[109] G.A. Cramp & Sons Ltd. v. Frank Smythson Ltd., 1944 A.C. 329, 338 (Eng.); Biotrading & Financing OY v. Biohit Ltd., 1998 F.S.R. 109, 116 (Eng. Ch.).

[110] J.B. RICHARDSON, THE LAW OF COPYRIGHT 101 (1913); *see also* Dicks v. Yates, 18 Ch. D. 76, 90 (Eng. 1881).

combines the two—one may copy an insubstantial amount from the compilation, but beyond that lies the possibility of liability for infringement.[111] Thus the balancing device of substantiality becomes important.[112] The classic statement of the substantiality test was given by Lord Pearce in *Ladbroke (Football) Ltd. v. William Hill (Football) Ltd.*: "Whether a part is substantial must be decided by its quality rather than its quantity."[113] Recently, Lord Hoffmann elaborated, holding that a purposive approach must be taken:

> But what quality is one looking for? That question, as it seems to me, must be answered by reference to the reason why the work is given copyright protection. In literary copyright for example, copyright is conferred (irrespective of literary merit) upon an original literary work. It follows that the quality relevant for the purposes of substantiality is the literary originality of that which has been copied. In the case of an artistic work, it is the artistic originality of that which has been copied.[114]

Given that the originality requirement looks to the substantial labor, skill, or judgment expended by the author in the arrangement, selection or collection of the various elements in compilations, substantiality mirrors the originality inquiry in considering whether the copying constitutes an infringement through an over-borrowing or misappropriation of that same investment.[115] The basic consideration then becomes whether the copyist has conveyed the unprotected facts to the public in a manner that has misappropriated the author's investment in his own conveyance of those same facts.[116] Merely re-ordering the

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[111] *See, e.g.*, *Ladbroke (Football)*, [1964] 1 W.L.R. at 273.
[112] *See id.* at 276–77, 283, 288, 293.
[113] *Id.* at 293.
[114] Newspaper Licensing Agency Ltd. v. Marks & Spencer plc, [2001] 3 W.L.R. 290, 296–97 (Eng.).
[115] *See id.*
[116] *See* Pike v. Nicolas, 5 L.R.-Ch. 251 (Eng. 1869); Jarrold v. Houlston, 69 Eng. Rep. 1294, 1298 (1857); Lewis v. Fullarton, 48 Eng. Rep. 1080, 1081 (1839).

material or using different language to present it will be insufficient to forestall a finding of liability.[117]

A prime difficulty arises concerning the strength of this mechanism, specifically with regard to information that is not otherwise available, or even where otherwise available and the copyist is lead to the source through the original.[118] In *Football League v. Littlewoods*, the plaintiffs owned a copyright in the compilation of the scheduling of football fixtures.[119] The court found that making the chronological list was not difficult but required hard work and painstaking accuracy.[120] The defendants sent their customers coupons containing lists of fixtures, which were admittedly copied from the League's chronological list.[121] Although the information was not available from any other source, infringement was found.[122] The refusal to license is more properly seen as a competition concern rather than a copyright matter and must ultimately be resolved through competition regulation; this is important in terms of both the domestic economy in isolation, and in the context of a regional arrangement such as the European Union which is based on the free movement of goods and services.[123]

Again, the matter becomes one of case-by-case analysis framed as a question of fact rather than law.[124] It is suggested that there is no binding principle that narrows the general inquiry or makes the

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[117] *See* Bell v. Whitehead, 8 L.J.R.141 (Eng. 1839); Whittingham v. Wooler, 36 Eng. Rep. 679 (1817).

[118] *See* Kelly v. Morris, 1 L.R.-Eq. 697 (Eng. 1866) (where the copyist sent agents to verify the addresses and details of places noted in the plaintiff's original street directory); Morris v. Wright, 5 L.R.-Ch. 279 (Eng. 1870); Morris v. Ashbee, 7 L.R.-Eq. 34 (Eng. 1868).

[119] 1959 Ch. 637 (Eng.). *See also* Independent Television Publ'ns Ltd. v. Time Out Ltd., 1984 F.S.R 64 (Eng. Ch.) (holding that television and radio listings constituted compilations and were thus protected as literary copyright works due to the extent of skill and labor involved in this creation).

[120] *See* Football League v. Littlewoods, 1959 Ch. 637, 639 (Eng.).

[121] *See id.*

[122] *See id.*

[123] *See* Radio Telefis Eireann v. E.C. Comm'n of the European Communities, [1995] 4 C.M.L.R. 718.

[124] *See* G.A. Cramp & Sons Ltd. v. Frank Smythson Ltd., 1944 A.C. 329, 338 (Eng.); Biotrading & Financing OY v. Biohit Ltd., 1998 F.S.R. 109, 116 (Eng. Ch.).

analysis more predictable.[125] The resolution of such issues is very much a question of evidence to determine; to draw on the words of Page Wood V.C., whether the defendant has taken away the plaintiff's labor expended in producing the work, [126] with the competitive nexus between the parties being quite influential in the application of the substantiality test.[127] Despite these problems, it is interesting to note that this traditional "sweat of the brow" or "industrious collection" approach was recently followed in Australia.[128]

### *C. The United States*

Although American copyright law is quite similar to its British progenitor, there are quite substantial differences in the protection of functional works such as factual compilations. First, the federal protection is constitutionally based and is subject to the fixed jurisdictional boundaries necessary in such a federal system, and thus sits alongside state misappropriation protection.[129] Second, since at least *Baker v. Selden*,[130] American copyright law has constructed the "idea-expression dichotomy" as a controlling device in the development of copyright doctrine and the types of works and the nature of authorship that legitimately falls within the constitutional grant.[131] Though courts have been known to adopt a more pragmatic stance,[132] there is a systemic reluctance to protect

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[125] *See id.*

[126] *See* Scott v. Sandford, [1867] 3 L.R.-Eq. 718, 723–24 (Eng.).

[127] *See* Trade Auxiliary Co. v. Middlesbrough and District Tradesmen's Protection Ass'n, 40 Ch. D. 425, 428–429 (Eng. 1889); Kelly v. Morris, 1 L.R.-Eq. 697, 701–703 (Eng. 1866).

[128] *See* Telstra Corp. Ltd. v. Desktop Marketing Sys. Pty Ltd. [2001] FCA 612, *aff'd*, [2002] F.C.A.F.C. 112 (Austl.).

[129] *See, e.g.*, Int'l News Serv. v. Associated Press, 248 U.S. 215 (1919).

[130] 101 U.S. 99 (1879).

[131] *See* 17 U.S.C. § 102(b) (2000) ("In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.").

[132] *See* Chuck Blore & Don Richman, Inc. v. 20/20 Adver. Inc., 674 F. Supp. 671, 676 (D. Minn. 1987) ("The first axiom of copyright is that copyright protection covers only the expression of ideas and not ideas themselves. . . . The second axiom of copyright is that the first axiom is more of an amorphous characterization than it is a principled guidepost.").

the purely functional rather than the creative (some may say wisely).[133] This differing approach to functional expression is clearly brought out in the American[134] and British[135] approaches to the protection of computer programs. While the former places a clear emphasis on questions of authorship and subsistence of copyright and uses such doctrines as merger[136] and *scenes à faire*[137] to limit "copyrightability" as a matter of law, the British law concentrates its attention at the substantiality stage and the determination of the issues through questions of fact.[138] This author would hazard to state, however, that both reach the same conclusions in the majority of cases. Third, unlike British law which (usually) prizes certainty far above flexibility and which does not favor generalized public interest defenses, American law clearly speaks to copyright as a flexible property right which is granted in the public interest and which must be construed and

[133] *See* Ibcos Computers Ltd., 1994 F.S.R. 275, 291–92 (Eng. Ch.) (discussing the refusal of United States copyright law to protect solely functional elements).

[134] *See, e.g.*, Lotus Dev. Corp. v. Borland Int'l, Inc., 49 F.3d 807 (1st Cir. 1995); Computer Assocs. Int'l, Inc. v. Altai, Inc., 982 F.2d 693 (2d Cir. 1992).

[135] *See, e.g.*, Cantor Fitzgerald Int'l v. Tradition (U.K.) Ltd., 2000 R.P.C 95 (Eng. Ch.).

[136] *See* Kern River Gas Transmission Co. v. Coastal Corp., 899 F.2d 1458 (5th Cir. 1990); Toro Co. v. R & R Prods. Co., 787 F.2d 1208, 1212 (8th Cir. 1986).

[137] *See, e.g.*, Mitel, Inc. v. Iqtel, Inc., 124 F.3d 1366 (10th Cir. 1997).

[138] *See, e.g.*, Newspaper Licensing Agency Ltd. v. Marks & Spencer plc, [2001] 3 W.L.R. 290, 296–97 (Eng.); Biotrading & Financing OY v. Biohit Ltd., 1998 F.S.R. 109, 116 (Eng. Ch.); Autospin (Oil Seals) Ltd. v. Beehive Spinning, 1995 R.P.C. 683 (Eng. Ch.); Radio Telefis Eireann v. E.C. Comm'n of the European Communities, [1995] 4 C.M.L.R. 718 (Eng.); Express Newspapers plc. v. News (U.K.) Ltd., [1990] 1 W.L.R. 1320 (Eng. Ch.); Independent Television Publ'ns Ltd. v. Time Out Ltd., 1984 F.S.R 64 (Eng. Ch.); Moorgate Tobacco Co. Ltd. v. Philip Morris Ltd. (No. 2), [1984] 156 C.L.R. 414 (Austl.); MacDonald v. Vapour Canada Ltd., [1976] 66 D.L.R.3d 1 (Can.); Ladbroke (Football) Ltd. v. William Hill (Football) Ltd., [1964] 1 W.L.R. 273 (Eng.); Football League v. Littlewoods, 1959 Ch. 637 (Eng.); G.A. Cramp & Sons Ltd. v. Frank Smythson Ltd., 1944 A.C. 329, 338 (Eng.); Cambridge Univ. Press v. Univ. Tutorial Press Ltd., 45 R.P.C. 335 (Eng. Ch.) 1928; Univ. of London Press Ltd. v. Universal Tutorial Press Ltd, [1916] 2 Ch. 601, 608 (Eng.); Trade Auxiliary Co. v. Middlesbrough and District Tradesmen's Protection Ass'n, 40 Ch. D. 425, 428–29 (Eng. 1889); Morris v. Wright, 5 L.R.-Ch. 279 (Eng. 1870); Pike v. Nicolas, 5 L.R.-Ch. 251 (Eng. 1869); Morris v. Ashbee, 7 L.R.-Eq. 34 (Eng. 1868); Scott v. Sandford, 3 L.R.-Eq. 718, 723–24 (Eng. 1867); Kelly v. Morris, 1 L.R.-Eq. 697 (Eng. 1866); Jarrold v. Houlston, 69 Eng. Rep. 1294, 1298 (1857); Lewis v. Fullarton, 48 Eng. Rep. 1080, 1081 (1839); Bell v. Whitehead, 8 L.J.R.141 (Eng. 1839); Whittingham v. Wooler, 36 Eng. Rep. 679 (1817).

applied to serve the public interest.[139] This is more than a doctrinal difference; it is a matter of legal culture determining where balancing decisions will be made, by whom they will be made, and whether these decisions ought to be made in the context of private litigation. It is a characteristic of fundamental importance in the American system, and a fundamental difference to other common law copyright regimes.

Like British law, American law treats the compilation and its contents separately. Unlike British law, American law hesitates over the manner in which copyright might attach to facts. Both systems may protect elements of a compilation as original literary works in their own right, however, facts are not considered to be copyrightable subject-matter per se in the United States,[140] based on constructions of the idea-expression dichotomy,[141] again through such devices as the merger doctrine[142] and conceptions of authorship.[143] Since copyright protection of compilations is "thin," these fact considerations become quite significant. This system differs from the British law, where the issue is framed merely as one of originality in the sense of conveying information or instruction without need to deny the protection merely as it might protect a fact.[144]

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[139] Hence, the importance of the quasi-equitable fair use defense, which is especially significant in the institutional balancing of protection and access interests. *See* 17 U.S.C. § 107 (2000) ("[T]he fair use of a copyrighted work, including such use by reproduction in copies or phonorecords . . . , for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright."); Campbell v. Acuff-Rose Music Inc., 510 U.S. 569 (1994).

[140] *See* Nester's Map & Guide Corp. v. Hagstrom Map Co., 796 F. Supp. 729 (E.D.N.Y. 1992) (holding that although facts themselves cannot be copyrighted, the presentation of facts will be protected where the creator has demonstrated sufficient creativity).

[141] *See* Harper & Row Publisher, Inc. v. Nation Enters., 471 U.S. 539 (1985).

[142] However, it is clear that where there is more than one way to express a fact and that the expression in question can be said to reflect creative choices in presentation, the merger doctrine can be overcome and copyright may subsist under the American statute. *See generally* CCC Info. Servs., Inc. v. Maclean Hunter Mkt. Reports, Inc., 44 F.3d 61 (2d Cir. 1994); Kregos v. Associated Press, 937 F.2d 700 (2d Cir. 1991).

[143] *See* 17 U.S.C. § 102 (2000); Feist Publ'ns, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 344–45 (1991).

[144] *See, e.g.*, Exxon Corp. v. Exxon Ins. Consultants Int'l Ltd., [1981] 3 W.L.R. 541 (Eng. C.A.). The approach in Canada is less onerous in that only an expression of an idea is required. *See, e.g.*, Int'l Bus. Machines Corp. v. Spirales Computers Inc., [1984] 12 D.L.R.4th 351 (Can.).

With respect to compilations, the Copyright Act of 1976 provides that "a work formed by the collection and assembling of preexisting materials or of data that are selected, coordinated, or arranged in such a way that the resulting work as a whole constitutes an original work of authorship"[145] may be protected.[146] In *Feist Publications, Inc. v. Rural Telephone Service Co.*,[147] Rural Telephone Services published local yellow and white page directories for its subscribers.[148] Rural was bound to do so under state law.[149] Feist sought to license the data and to release its own directory, but to include a larger catchment area than Rural Telephone's directory and thus attract a different class of consumers.[150] Rural refused to license the information,[151] and Feist copied the listings without authorization to do so.[152] Feist went further and took steps to verify Rural's collection as accurate before using the data within its own directory.[153] The United States Supreme Court applied a creativity-linked standard based on the construction of the federal power to legislate in the area of intellectual property as one directed at the public interest in encouraging new works, rather than merely protecting the investment of resources in the work at issue.[154] In a famous passage, Justice O'Connor wrote:

> This case concerns the interaction of two well-established propositions. The first is that facts are not copyrightable; the other, that compilations of facts generally are. . . .
>
> The key to resolving the tension lies in understanding why facts are not copyrightable. The *sine qua non* of

[145] 17 U.S.C. § 101 (defining compilations).
[146] *See id.* § 103(a) (including compilations in literary works).
[147] 499 U.S. 340 (1991).
[148] *Id.* at 340.
[149] *See id.* at 363.
[150] *See id.* at 343.
[151] *See id.* This was held in violation of antitrust principles by the district court. *See* Rural Tel. Serv. Co. Inc. v. Feist Publ'ns Inc., 737 F. Supp. 610 (D. Kan. 1990), *rev'd*, 957 F.2d 765 (10th Cir. 1992).
[152] *See Feist*, 499 U.S. at 343.
[153] *See id.* at 343–44.
[154] *See id.* at 349.

> copyright is originality. To qualify for copyright protection, a work must be original to the author. Original, as the term is used in copyright, means only that the work was independently created by the author (as opposed to copied from other works), and that it possesses at least some minimal degree of creativity. To be sure, the requisite level of creativity is extremely low; even a slight amount will suffice.
>
> . . . .
>
> It may seem unfair that much of the fruit of the compiler's labor may be used by others without compensation. As Justice Brennan has correctly observed, however, this is not "some unforeseen byproduct of a statutory scheme." It is, rather, "the essence of copyright," and a constitutional requirement. The primary objective of copyright is not to reward the labor of authors, but "[t]o promote the Progress of Science and useful Arts." To this end, copyright assures authors the right to their original expression, but encourages others to build freely upon the ideas and information conveyed by a work . . . . This principle, known as the idea/expression or fact/expression dichotomy, applies to all works of authorship. As applied to a factual compilation, assuming the absence of original written expression, only the compiler's selection and arrangement may be protected; the raw facts may be copied at will. This result is neither unfair nor unfortunate. It is the means by which copyright advances the progress of science and art.[155]

Thus, an original work of authorship under the copyright statute is the product of the author's own efforts and includes at least some minimal degree of creativity.[156] The creativity standard here is not akin to the "author's own intellectual creation" standard, as in those civilian systems in which the personality of the author must be reflected in the work, but furthers the same

[155] *Id.* at 345, 349–50 (citations omitted).
[156] *See id.* at 349.

policy goals that are familiar to British copyright: rewarding the judgment and taste of the author through the copyright grant, and encouraging others to act likewise, but in no case making unavailable the general ideas or discrete matters of fact that ought to be available to them.[157] The protection encourages and supports a principled construction of authorship, not ownership of knowledge.[158]

In enforcing this "modicum of creativity" approach, the experience post-*Feist* has not been an unduly restrictive one—as one court put it, copyright protection in compilations may be thin,[159] "but not anorexic."[160] Thus, original compilations have been protected in the form of directories of businesses,[161] lists of the statistics of baseball pitchers on nine selected criteria,[162] a model building code,[163] facts for software user interface,[164] guides to the used prices of cars[165] and collectible coins,[166] and codes and descriptions of dental procedures.[167]

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[157] *See, e.g.*, *id.* at 340.

[158] *See, e.g.*, *id.*

[159] That is, protection is restricted to the original parts of the compilation's selection, coordination, or arrangement.

[160] *See* Key Publ'n, Inc. v. Chinatown Today Publ'g Enters., 945 F.2d 509, 514 (2d Cir. 1991).

[161] *See* EPM Communications, Inc. v. Notara, Inc., 56 U.S.P.Q.2d (BNA) 1144 (S.D.N.Y. 2000); *Key Publ'n, Inc.*, 945 F.2d at 509.

[162] *See* Kregos v. Associated Press, 937 F.2d 700 (2d Cir. 1991).

[163] *See* Veeck v. S. Bldg. Code Congress Int'l, Inc., 158 F.3d 693 (5th Cir. 2001).

[164] *See* Eng'g Dynamics, Inc. v. Structural Software, Inc., 26 F.3d 1335 (5th Cir. 1994).

[165] *See* CCC Info. Servs., Inc. v. Maclean Hunter Mkt. Reports, Inc., 44 F.3d 61 (2d Cir. 1994).

[166] *See* CDN, Inc. v. Kapes, 197 F.3d 1256 (9th Cir. 1999).

[167] *See* Am. Dental Ass'n v. Delta Dental Plans Ass'n, 126 F.3d 977 (7th Cir. 1997). Reports of judgments have been refused protection, *see* Matthew Bender & Co. v. West Publ'g Co., 158 F.3d 674 (2d Cir. 1998); Matthew Bender & Co. v. West Publ'g Co., 158 F.3d 693 (2d Cir. 1998); *but see* Oasis Publ'g Co. v. West Publ'g Co., 924 F. Supp. 918 (D. Minn. 1996); as have a yellow pages directory, *see* Bellsouth Adver. & Publ'g Corp. v. Donnelly Info. Publ'g, Inc., 999 F.2d 1436 (11th Cir. 1993); *but see* Warren Publ'g v. Microdos Data, Inc., 53 F.3d 950 (11th Cir. 1995); a list of part numbers automatically created with the manufacturer's numbering system, *see* Southco, Inc. v. Kanebridge Corp., 258 F.3d 148 (3d Cir. 2001); charters of horse racing statistics, *see* Victor Lalli Enter. Inc. v. Big Red Apple, Inc., 936 F.2d 671, 673 (2d Cir. 1991); and a Hebrew bible with symbols to permit searches in compliance with Jewish law, *see* Torah Soft Ltd. v. Drosnin, 136 F. Supp. 2d 276 (S.D.N.Y. 2001).

The requisite creative efforts may be expended upon the *selection* of the data.[168] As the selection must be creative, there is an obvious problem in automatic selection of all relevant data—for example, the telephone directory in *Feist* itself[169]—or selection criteria that is in and of itself unoriginal.[170] Equally obvious is that where there are creative choices in using unoriginal criteria, the requisite modicum of creativity will be shown.[171] Thus, a list of "best" objects as selected by the author will do.[172] With regard to *co-coordinating* and *arranging* data, the same considerations of automatic factors like page numbering [173] and unoriginal criteria apply with the additional control of the merger doctrine.[174] Creative choices in selecting the right fact in the right way will satisfy the requirement of minimal creativity.[175]

The degree to which the *Feist* standard has improved the law is certainly open to debate, and the paradox in relying on a creativity norm as a means of encouraging more utilitarian works in the form of "creative" factual compilations (which by their very nature may intrude on the objective veracity of the contents presented), has not gone unnoticed.[176] The result is to leave protection of databases in an uncertain state, complicated by varying interpretations of the *Feist* decision in the various federal circuits.[177] This institutional

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[168] *See Tora Soft*, 136 F. Supp. 2d at 278.

[169] *See* Feist Publ'n, Inc. v. Rural Telephone Serv. Co., 499 U.S. 340 (1991).

[170] *See id.* at 349.

[171] *See* O.P. Solutions, Inc. v. Intellectual Prop. Network, Ltd., 52 U.S.P.Q.2d (BNA) 1818 (S.D.N.Y. 1999) (holding that format accorded with industry convention was not sufficiently original).

[172] *Id.* at 1820.

[173] *See* Matthew Bender & Co. v. West Publ'g Co., 158 F.3d 674 (2d Cir. 1998).

[174] *See id.* at 683.

[175] *See* C.D.N., Inc. v. Kapes, 197 F.3d 1256 (9th Cir. 1999) (holding that the process of pricing coins satisfied required degree of creativity).

[176] *E.g.*, Jane Ginsburg, *U.S. Initiatives to Protect Works of Low Authorship*, *in* EXPANDING THE BOUNDARIES OF INTELLECTUAL PROPERTY: INNOVATION POLICY FOR THE KNOWLEDGE SOCIETY 55 (Rochelle Dreyfuss et al. eds., 2001).

[177] *Compare* Southco, Inc. v. Kanebridge Corp., 258 F.3d 148, 156 (3d Cir. 2001) (holding that part numbers lacked sufficient creativity to merit copyright protection), *and* Am. Dental Ass'n v. Delta Dental Plans Ass'n, 126 F.3d 977, 979–80 (7th Cir. 1997) (holding that taxonomy of dental procedures was copyrightable), *with* Warren Publ'g v. Microdos Data, Inc., 52 F.3d 950, 954 (11th Cir. 1995), *vacated by* 115 F.3d 1509 (11th Cir. 1997).

uncertainty propels the wary businessperson to seek support elsewhere—in contract[178] or misappropriation[179] (which would not appear to be a spent force as far as time-sensitive dynamic databases are concerned),[180] as well as whatever proprietary-based cause is applicable under the circumstances.[181] Based on the uncertain nature of ancillary actions at the state level,[182] the efficacy and cost of technological self-help measures,[183] and the presence of the EU Database Directive with its reciprocity

[178] *See, e.g.*, ProCD, Inc. v. Zeidenberg, 86 F.3d 1447, 1452 (7th Cir. 1996) (holding that a shrinkwrap license is a binding contract).

[179] Feist Publ'ns, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 354 (1991) (stating that misappropriation may still apply to facts). After *Feist*, the state misappropriation action can only be maintained if it protects intellectual property not within the subject matter of copyright and/or asserts rights not equivalent to copyright. More will be required, in particular timeliness if the claim seeks to analogize to the generally accepted "hot-news" doctrine articulated in *Int'l News Serv. v. Associated Press*, 248 U.S. 215 (1918). *Compare* Nat'l Basketball Ass'n v. Motorola, Inc., 105 F.3d 841, 845 (2d Cir. 1997) (limiting the "hot news" exception to cases where information generated at a cost to the plaintiff and is time sensitive, the defendant's use constitutes free-riding, the parties are in direct competition and free-riding creates a disincentive that threatens production of the product), *and* Fred Wehrenberg Circuit of Theatres, Inc. v. Moviefone, Inc., 73 F. Supp. 2d 1044, 1050 (E.D. Mo. 1999) (holding that while the state would allow cause of action based on misappropriation of "hot news," the plaintiffs failed to satisfy the criteria laid out in *National Basketball Association*, 105 F. 3d at 845), *with* Pollstar v. Gigmania Ltd. 170 F. Supp. 2d 974, 979–80 (E.D. Cal. 2000) (applying "hot news" elements outlined in *National Basketball Association*, 105 F. 3d at 845). *See also* United States Golf Ass'n [USGA] v. Arroyo Software Corp., 49 U.S.P.Q.2d (BNA) 1979, 1985 (Cal. 1999) (holding that the USGA's claims are not pre-empted by federal copyright law).

[180] *See* Jane C. Ginsburg, *Copyright, Common Law, and Sui Generis Protection of Databases in the United States and Abroad* (1997), 66 U. CIN. L. REV. 151, 157–64 (1997) (discussing the possible application of the "hot news" exception and misappropriation theory to databases).

[181] *See* eBay, Inc. v. Bidder's Edge, Inc. 100 F. Supp. 2d 1058, 1069–70 (N.D. Cal. 2000) (holding that eBay would likely prevail on its assertion that Bidder's Edge interfered with eBay's possessory interest in its electronic database); Ticketmaster Corp. v. Tickets.com Inc., 54 U.S.P.Q.2d (BNA) 1344, 1347 (C.D. Cal. 2000) (granting motion to dismiss claims of misappropriation and trespass of factual information posted on website); Register.com v. Verio, Inc., 126 F. Supp. 2d 238, 251 (S.D.N.Y. 2000) (holding that party would likely prevail on claim of trespass to chattels where defendant used a software "robot" to collect information from competitor's database).

[182] *See* Amy C. Sullivan, *When the Creative is the Enemy of the True: Database Protection in the U.S. and Abroad,* 29 AM. INTELL. PROP. LAW ASS'N Q.J., 346–52 (2001).

[183] *See id.* at 345.

provision,[184] a number of proposals have suggested legislative reform to construct sui generis protection of databases in the United States (though such proposals languish in Congress).[185]

### *D. Canada*

As in other jurisdictions, the protection of factual compilations in Canadian law has emphasized the difficulties in determining originality in this form of utilitarian subject matter. However, the most recent cases, arising in part from the tensions inherent in Canada's bijural tradition and the influence of American law on domestic doctrine, have tended to complicate matters by alternatively pulling towards and pushing away from conceptions of creative authorship in general and specifically with regard to compilations of factual material. In the process, the law has become uncertain both in doctrine and direction. The cases seem to say that "intellectual creation" as used in the definition of a "compilation" under the statute[186] requires self-generation (not copying from another) and "something in addition to not being copied."[187] Much like the British jurisprudence, with which Canadian law in the main aligns itself,[188] that "something more" is an indistinct category (it may now include creativity in addition to the usual vagaries such as taste, discretion, skill, judgment, industry and labor), ensuring that the investment of resources and effort is of the right sort and controls the extent of the entitlement

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[184] *See id.* at 354.

[185] *See, e.g.*, The Database Investment and Intellectual Antipiracy Act of 1996, H.R. 3531, 104th Cong.; The Consumer and Investor Access to Information Act of 1999, H.R. 1858, 106th Cong.; The Collections of Information Antipiracy Act of 1999, H.R. 2652, 106th Cong. *See* Sullivan, *supra* note 182, at 356–71; Ginsburg, *supra* note 176, at 55.

[186] Canadian Copyright Act, R.S.C., ch. C-42, § 2 (2001) ("'[C]ompilation' means (a) a work resulting from the selection or arrangement of literary, dramatic, musical, or artistic works or of parts thereof, or (b) a work resulting from the selection or arrangement of data.").

[187] CCH Canadian Ltd. v. Law Society of Upper Canada, [2002] 212 D.L.R.4th 385, para. 214 (Can.) (Rothstein, J.A., concurring); *see also id.* para. 55 (noting that it also requires "something more than merely copying" existing elements).

[188] *See CCH Canadian*, 212 D.L.R.4th at 385; U&R Tax Services v. H&R Block Canada Ltd., [1995] C.P.R. 257, 264 (Can.); Slumber-Magic Adjustable Bed Co. v. Sleep-King Adjustable Bed Co., [1984] 3 C.P.R.3d 81, 84 (Can.).

that might be claimed in such subject-matter.[189] In essence, like British law prior to the Database Directive, the Canadian law recognizes that the further one gets away from traditional literary works, the inter-related questions of subsistence and infringement are difficult to determine in the circumstances of an individual case and, particularly so in factual compilations.[190] Again, like British doctrine, it is hard to pin down exactly what the magical quality of "something more" is with any precision. The present copyright revision exercise, though framed in terms of the agenda set out through the substantive provisions of the relevant WIPO treaties, may yet settle the issue of database protection more satisfactorily than the judges have been able to do thus far within the constraints of the Copyright Act.[191]

As a preliminary matter, it is worthwhile to consider the nature of the right set out in the Copyright Act.[192] Like the 1911 British statute on which it was originally modeled, the Canadian statute creates a right to control reproduction and exploitation of various forms of protectable expression (not all requiring originality).[193] Unlike other jurisdictions, however, Canadian courts have been quite reluctant to label the right as a proprietary one, preferring to characterize it as simply a "statutory right."[194] Notwithstanding, this author would suggest that the protection created under the Canadian statute is indeed proprietary in the conventional sense. Though created by statute in relation to an intangible, the right sufficiently satisfies the traditional incidents of ownership under

[189] *See Slumber-Magic Adjustable Bed*, 3 C.P.R.3d at 84.

[190] *Cf. id.* para. 55; Hager v. ECW Press Ltd., [1999] 2 F.C. 287, para. 42 (Can.).

[191] *See* Canadian Copyright Act.

[192] *See id.*

[193] *See* Galerie d'art du Petit Champlain Inc. v. Théberge, [2002] 17 C.P.R.4th 161 (Can.); *id.* para. 114 (Gonthier, J., dissenting).

[194] The Canadian Copyright Act is somewhat exceptional in not defining, but treating, the right as a property right. As Canadian Supreme Court Justice Estey has noted, "copyright law is neither tort law nor property law in classification, but is statutory law. It neither cuts across existing rights in property or conduct nor falls in between rights and obligations heretofore existing in the common law. Copyright legislation simply creates rights and obligations upon the terms and in the circumstances set out in the statute. This creature of statute has been known to the law of England at least since the days of Queen Anne when the first copyright statute was passed. It does not assist the interpretative analysis to import tort concepts. The legislation speaks for itself . . . ." Compo Co. v. Blue Crest Music Inc., [1980] S.C.R. 357, 372–73 (Can.).

the so-called "Hohfeld/Honoré orthodoxy"; that is, the rights of possession, use, management, and the reception of income; the power to transfer, waive, exclude, and abandon; the immunity from expropriation by the state; and liability for execution of a judgment are all present in relation to the right.[195] At the same time, the right is not a creature of common law nor is it unlimited in term or extent; like a patent, the right is limited by time and statutory (and perhaps equitable) defenses operate to limit its enforcement. While the judicial disinclination to apply the term property to the right obviously reflects a pragmatic concern for the delicate balancing of interests that is the essence of intellectual property law, this author would suggest that withholding the property label starts the analysis on the wrong foot.

Property, properly understood, is not such a rigid concept that its application to copyright automatically alters the balance between the provision of economic incentives to create protectable expression and legitimate interests in the dissemination of such works;[196] in other words, it need not be seen as concluding rather than beginning an inquiry into the proper balancing of competing interests.[197] Moreover, given the definitional clarity derived from the statute and the internal provision of criminal proscriptions, the sorts of concerns that arise in relation to an indefinite category of valuable intangibles like confidential information[198] do not arise

[195] *See* Wesley N. Hohfeld, *Some Fundamental Legal Conceptions as Applied in Judicial Reasoning*, 23 YALE L.J. 16, 21–23 (1913) (discussing the malleability of the term property to designate a physical object and/or a right with relation to the object); Wesley N. Hohfeld, *Fundamental Legal Conceptions as Applied in Judicial Reasoning*, 26 YALE L.J. 710, 722–25 (1917). For a criticism of Hohfeld's analysis of the correlative rights and duties in respect to both in rem and in personam rights, see JEREMY WALDRON, THE RIGHT TO PRIVATE PROPERTY (1988); Joan Williams, *The Rhetoric of Property*, 83 IOWA L. REV. 277, 284–97 (1998); J.E. Penner, *The 'Bundle of Rights' Picture of Property*, 43 UCLA L. REV. 711, 724–732 (1996). For a discussion of Hohfeld's analysis, see UGO MATTEI, BASIC PRINCIPLES OF PROPERTY LAW: A COMPARATIVE LEGAL AND ECONOMIC INTRODUCTION (2000); STEPHEN R. MUNZER, A THEORY OF PROPERTY 22 (1990); A.M. Honoré, *Ownership*, in OXFORD ESSAYS IN JURISPRUDENCE 109 (A.G. Guest ed., 1961).

[196] *Théberge*, 17 C.P.R.4th para. 30 (approving Justice Willes's famous dicta in *Millar v. Taylor*, [1769] E.R. 201, 218) (Can.).

[197] *See* Andrew Beckerman-Rodau, *Are Ideas Within the Traditional Definition of Property? A Jurisprudential Analysis*, 47 ARK. L. REV. 603, 604 (1994).

[198] R. v. Stewart, [1988] 1 S.C.R. 963 (Can.).

here. Rather than rejecting an association with property concepts, it is desirable to align the content of copyright with the larger law and theory in regard to legal entitlements. It is easily recognizable that labels have meaning and doctrines in different areas are conceptually linked. Regardless of whether one takes a traditionally conservative or more expansive, socially-constructed view of property rights,[199] property as a concept and legal institution is a meaningful one, and conceptual alignment between these two areas of the larger law of entitlements seems to be a useful one. The point is not to throw off intellectual property law for a return to free-ranging common law protections, which may be the root fear, but to construct meaningful contexts in which to determine the content of socially desirable entitlements to resources and things of value.

Indeed, as revealed in the latest judgment of the Supreme Court of Canada dealing with substantive copyright doctrine and the troubling regional split in that court, Canadian copyright law is caught between the tensions generally associated with common law copyright and civilian *droit d'auteur* traditions.[200] It has been suggested that at least part of the problem in *Theberge* is a reluctance to accept a unique Canadian implementation of a universal principle; the lost truth being that "copyright is the same everywhere, the only nuances being provided artificially by legal tools and techniques, which differ from one State to the next" and that undue reliance on received common law visions distort the efficacy of any independent analysis.[201] With respect, this is somewhat simplistic. Each jurisdiction must be taken independently and assessed with regard to its own developed traditions and needs; Canada is sovereign in its own law-making. However, and flowing from, rather than opposed to, the need for

[199] For discussion of socially constructed property rights in valuable intangibles, see CRAIG ROTHERHAM, PROPERTY AND JUSTICE: RIGHTS, WRONGS AND RESPONSIBILITIES (Mathew H. Kramer ed., Palgrave, 2001); Kevin Gray, *Property in Thin Air*, 50 CAMBRIDGE L.J. 252 (1991); Arnold S. Weinrib, *Information and Property,* 36 U. TORONTO L.J. 117 (1988); Sam Ricketson, '*Reaping without Sowing': Unfair Competition and Intellectual Property Rights in Anglo-Australian Law*, U. NEW S. WALES L.J. 1 (1984).

[200] *Théberge*, 17 S.C.R. at 34.

[201] NORMAND TAMARO, THE 2002 ANNOTATED COPYRIGHT ACT, at xii (2002).

jurisprudential self-determination, this author would dispute the claim that copyright is (or should be) the same everywhere. Differing jurisdictions judge the nature and level of personal entitlement differently in respect to discrete forms of subject matter, and are informed by differing theoretical perspectives on the nature of both personal and public entitlement. These differences can be both substantive and structural. Conceptions regarding the genus property, informed by public policy considerations in respect to the species intellectual property, should not be eliminated completely from the analysis. It is the conceptual framework in which the analysis should be conducted. At the same time, not all entitlements need to be full-blown property rights, and that is a point that this author suggests is important in database protection. Perhaps it is not a failure to consider the international or comparative context that is at the root of the problem, rather than a reluctance to place the difficult theoretical issues within a conventional doctrinal frame. To be fair, this author would suggest that Justice Binnie did just that in *Theberge*.[202]

Turning to the issue at hand, perhaps the most controversial decision in the Canadian copyright law in recent years is that of the Federal Court of Appeal in *Tele-Direct (Publications) Inc. v. American Business Information Inc.*[203] In *Tele-Direct*, using the amendments to the 1993 Copyright Act as a point of departure, the court took the view that Canadian copyright law has been, and should be, accommodative of creative authorship.[204] Hence, and with an eye towards regional harmonization of laws through NAFTA, the Canadian law regarding the copyright protection of factual compilations ought to draw itself in line with the *Feist* approach in the United States—authorship, and not mere self-generation, should become the focal point of judicial concern.[205] It is a controversial position that has been subject of much scrutiny.

*Tele-Direct*, occurring after the decision of the Canadian Radio-television and Telecommunications Commission (CRTC) to

[202] *Théberge*, 17 S.C.R. at 34.
[203] [1998] 2 F.C. 22, 38 (Can.).
[204] *See id.* at 39.
[205] *See id.*

regard raw telephone subscriber data as not protectable in copyright and properly subject to mandatory licensing,[206] involved the question of the copyright protection of a yellow pages directories published and distributed in both the provinces of Ontario and Quebec.[207] At trial, Justice McGillis held that the subscriber data were not subject to copyright (and thus were not independently protected), and that the sub-compilation of these data was structured according to industry convention such that the headings created by the publishers to accompany the data were similarly commonplace (and thus that the originality test was not met, even on the standard of labor, skill and judgment).[208] Even if there was copyright in the Tele-Direct compilation, there was no infringement.[209]

On appeal, the trial judgment was upheld on different reasoning.[210] In the Federal Court of Appeal, and after reviewing the record below, Décary J.A. turned to the importance of the changes to the Copyright Act through the NAFTA enabling legislation,[211] which it was held did two things: broadened the categories of compilations beyond literary works to include artistic, dramatic and musical works and amended the Act to reflect article 1705(1)(b) of NAFTA.[212] NAFTA, article 1705(1)(b) provides, in the same terms as TRIPS, article 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

[206] *See* Bell Canada—Provision of Telephone Directory Data Base Information in Machine-Readable Form, Telecom Decision CRTC 90-12 (June 14, 1990); Bell Canada—Directory File Service, Telecom Decision CRTC 92-1 (March 3, 1992); Graham A. Knight, *The Fall and Rise of Sweat of the Brow*, 13 INTELL. PROP. J. 337, 348 (1998–1999).

[207] Tele-Direct (Publ'ns) Inc. v. Am. Bus. Info., Inc., [1996] 74 C.P.R.3d 72, 74, *aff'd*, [1998] 2 F.C. 22, 38 (Can. 1997).

[208] *See id.*

[209] *See id.* at 101

[210] *Tele-Direct*, [1998] 2 F.C. at 22.

[211] The Canadian Copyright Act was amended to comply with NAFTA, *see supra* note 52, art. 1705(1)(b), regarding the definition of compilations, through the NAFTA Implementation Act, *see supra* note 52, § 53.

[212] *Tele-Direct*, [1998] 2 F.C. at 29.

be protected as such."[213] The effect of these provisions, it was held, was a deliberate departure from the prevailing sweat of the brow approach, towards the adoption of the *Feist* test.[214] Décary J.A. stated:

> Clearly, what the parties to the Agreement wanted to protect were compilations of data that "embody original expression within the meaning of [the Berne] Convention" and that constitute "intellectual creations." The use of these last two words is most revealing: compilations of data are to be measured by standards of intellect and creativity. As these standards were already present in Anglo-Canadian jurisprudence—as we shall see later—the author can only assume that the Canadian government in signing the Agreement and the Canadian Parliament in adopting the 1993 amendments to the Copyright Act expected the Court to follow the "creativity" school of cases rather than the "industrious collection" school.[215]

After re-iterating that the law has always been that only original compilations may attract copyright and that the threshold of originality is a low one, Décary J.A. stated:

> It is true that in many of the cases we have been referred to, the expression "skill, judgment or labour" has been used to describe the test to be met by a compilation in order to qualify as original and, therefore, to be worthy of copyright protection. It seems to me, however, that whenever "or" was used instead of "and," it was in a conjunctive rather than in a disjunctive way. It is doubtful that considerable labour combined with a negligible degree of skill and judgment will be sufficient in most situations to make a compilation of data original. One should always keep in mind that one of the purposes of the copyright legislation,

[213] TRIPS, *supra* note 76, art. 10(2); NAFTA, *supra* note 52, art. 1705(1)(b). Both TRIPS, art. 10(2), and NAFTA, art. 1705(1)(b), provide further that "[s]uch protection, which shall not extend to the data or material itself, shall be without prejudice to any copyright subsisting in the data or material itself." *Id.*

[214] *See Tele-Direct*, [1998] 2 F.C. at 31–32 para 15.

[215] *Id.* The presumption was rejected by Linden J.A. in *CCH Canadian Ltd. v. Law Society of Upper Canada*, [2002] 212 D.L.R.4th 385, paras. 40, 55 (Can.).

> historically, has been "to protect and reward the *intellectual* effort of the *author* (for a limited period of time) in the work" (emphasis added). The use of the word "copyright" in the English version of the Act has obscured the fact that what the Act fundamentally seeks to protect is "le droit d'auteur." While not defined in the Act, the word "author" conveys a sense of creativity and ingenuity. The author does not read these cases which have adopted the "sweat of the brow" approach in matters of compilations of data as having asserted that the amount of labour would in itself be a determinative source of originality. If they did, their approach was wrong and is irreconcilable with the standards of intellect and creativity that were expressly set out in NAFTA and endorsed in the 1993 amendments to the Copyright Act and that were already recognized in Anglo-Canadian law.[216]

Adopting the *Feist* test, it was held that the test of originality in respect to compilations of data is properly one of "labor, skill and judgment," based on some low threshold of creativity on the part of the author of the database; the policy concern being to support a robust conception of authorship in structuring the statutory entitlement and not to extend that entitlement directly to factual material.[217] Though the standard of creativity was set at a minimum threshold, this was a significant departure from existing practice.

A number of points can be made in relation to *Tele-Direct*. First, the court adopts an attitude towards American constitutional and intellectual property law that is itself not very nuanced. It takes no account of the differing construction of the "idea-expression dichotomy" in American jurisprudence, of judicially-developed principles such as the merger doctrine, nor of the systemic hostility to functional expression. To paraphrase Lord Hailsham, it is true that each of Canada, Britain, and the United States doesn't allow copyright to attach to facts, but it all depends

[216] *Id.* para. 29.
[217] *Id.* para. 34.

what you mean by a "fact." To remove *Feist* from its context and drop it into the Canadian law of copyright is problematic.

Second, and perhaps most important, it is unclear as to what Décary J.A. intends by labeling Canada as a *droit d'auteur* system and emphasizing authorship.[218] As Justice Binnie recently held in the *Theberge* litigation, the distinction between personal author-centered interests associated with protection of moral rights and owner-centered mercantile interests association with copyright is both a real and profound one in Canadian law.[219] Copyright is of much less exalted status, and is an exploitation-oriented right bound up with "a conception of artistic and literary works essentially as articles of commerce."[220] Creative authorship in the civilian tradition is foreign to such a conception of copyright; authors and owner-assignees are protected in copyright, but authorship less so. Given the mercantile orientation of the copyright, the traditional hostility of common law jurisdictions to creative authorship is primarily due to the difficulties in leaving such an open-ended creativity standard to judges in the context of a system that is predicated on the vindication of narrow economic interests towards economic goals rather than the fulfillment of authorship-centered duties. Typical are the recent comments by Linden J.A. on the point:

> Inevitably, judges will be forced to create their own definitions of creativity, resulting in substantial uncertainty and further jeopardizing the public benefit that accrues from the production of new and original works. The fact that an objective and coherent definition of "creative" is elusive at best and that "creativity" can sometimes connote qualities that are not required of an "original" work makes it preferable to avoid such unpredictable labels when assessing originality.[221]

In principle, such a creativity-linked entitlement is neither undesirable nor impractical, though it may be unsuitable for

[218] *See CCH Canadian*, 212 D.L.R.4th at 385.
[219] Galerie d'art du Petit Champlain Inc. v. Théberge, [2002] 17 C.P.R.4th 161 (Can.).
[220] *Id.* paras. 12, 15, 22.
[221] *CCH Canadian*, 212 D.L.R.4th para. 58.

inclusion in the system of copyright as presently set out in the prevailing statute and accumulated jurisprudence.

Third, the position that Décary J.A. has accepted in relation to NAFTA, raising the bar in relation to the protection of compilations through a more stringent construction of the Berne/NAFTA/TRIPS phrase "intellectual creation," is dubious.[222] As an initial point, it is questionable whether the relevant sections of NAFTA speak to such substantive standards in a purposeful way at all, rather than merely tying the accepted status quo to regional trade-based arrangements.[223] Indeed, chapter 17 of NAFTA itself arises from the work of the GATT official who drafted TRIPS, and found its way into the treaty when the NAFTA negotiators abandoned their own documents to proceed from the draft TRIPS agreement once it was complete.[224] Second, the proposition that it was in the mind of the Canadian negotiators (and later legislators) to adopt the *Feist* standard in relation to factual compilations seems artificial, given that the American law was not fully developed at the time the treaty was negotiated and the matter was not a specific topic of negotiation. Finally, to argue that NAFTA is more deferential to Berne than TRIPS would seem to undercut the principle of TRIPS itself. That such a requirement may be desirable is one thing, but that it is mandated by international or regional agreement is a novel and unconvincing assertion.

Indeed, that *Tele-Direct* should be properly regarded as fundamentally altering Canadian conceptions of originality seems untenable after such an impression was recently "corrected" by a differently constituted panel of the Federal Court of Appeal.[225] In *CCH Canadian Ltd. v. Law Society of Upper Canada*, the question of originality at large and in various types of legal materials, ranging from headnotes to monographs, was given extensive

[222] This point was rejected by Linden J.A. *See id.* para. 27.

[223] Ron J.T. Corbett, *Impact of NAFTA and TRIPS on Intellectual Property Rights Protections in Canada and the United States*, 6 NAFTA: LAW & BUS. REV. AM. 591 (2000).

[224] Martin D.H. Woodward, *TRIPS and NAFTA's Chapter 17: How Will Trade-Related Multilateral Agreements Affect International Copyright?*, 31 TEX. INT'L L.J. 269, 274 (1996).

[225] *CCH Canadian Ltd.*, 212 D.L.R.4th at 385.

consideration.[226] Both Linden J.A., for the majority, and Rothstein J.A., concurring, explicitly rejected any reading of *Tele-Direct* as fundamentally altering Canadian copyright from the general approach shared with British law or of altering subsistence of copyright at large.[227] All members of the court supported a traditional view of originality, which requires that the protected work originate from the author and be produced by more than mere copious effort expended in slavishly copying another work.[228] Creativity, then, does not function as a foundational criterion.

While strictly obiter, the majority held that after *Tele-Direct* there was no alteration at all of subsistence requirements, while the minority held that there might be a change specifically in the area of factual compilations.[229] Thus, Linden J.A. found:

> The author acknowledges that it is more difficult to apply the standard of originality to some types of works, such as compilations, than to traditional forms of expression, such as novels, sculptures or plays. The further one gets away from traditional literary works, the less obvious it becomes that a work has not been copied. Compilations of data, for instance, typically do not display an author's uniquely identifiable flare, nor "exhibit, on their face, indicia of the author's personal style or manner of expression." (citation omitted) This makes it difficult to establish whether compilations are original or are merely copies. In addition, some compilations may be comprised of elements that are copied from other works or parts of works in which copyright may or may not otherwise subsist. Because the selection and arrangement of the underlying elements, not

[226] *See id.*

[227] *See id.* paras. 38, 40, 43–46; *id.* para. 218 (Rothstein, J.A., concurring).

[228] *See id.* para. 31 (approving the dicta of Lord Oliver in *Interlego A.G. v. Tyco Industries Inc.*, 1989 A.C. 217, 262–63 (Eng. P.C.) ("Skill, labour or judgment merely in the process of copying cannot confer originality. . . . A well executed tracing is the result of much labour and skill but remains what it is, a tracing.") *Interlego*, however, was not a compilation case but one involving derivative works in the context of an attempt to extend patent and design rights which had terminated. In the context of an artistic work, as was the nature of the work at issue, more than slavish copying was required—specifically a discernable visual dissimilarity between the original and the copy.).

[229] *See id.* para. 55.

> the elements themselves, must be original, a compiler must demonstrate something more than merely copying those elements into a new work before the *Act* will award copyright protection. However, Anglo-Canadian copyright law does not require "creativity" to establish that such a work is not a mere copy.[230]

Rothstein J.A., concurring, wrote:

> I recognize that *Tele-Direct* . . . may be read to eliminate the industrious collection approach to originality that has sometimes been used for compilations. I also recognize that debate continues over whether industrious collection or creativity is the better approach for determining the originality of compilations. (citation omitted) However, I am mindful of the words of Estey J. in *Compo Co.* . . . not to decide copyright cases on broader grounds than necessary.[231]

The position that emerges, consistent with other views of *Tele-Direct*, is that a creativity-linked test of originality may be discredited as matter of general application, but may still have currency with respect to factual compilations.[232] However, the explicit rejection of a creativity-linked standard by the majority in *CCH Canadian Ltd. v. Law Society of Upper Canada* as undesirable in principle,[233] and the endorsement of an equally traditional view of copyright as a narrow economic right which is teleologically constructed as an incentive to creation rather than deonotologically constructed as the lynchpin of creative authorship by the majority of the Supreme Court in *Theberge*,[234] leaves the law in a most unsatisfying state. Clearly a compilation of fact

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[230] *Id.*

[231] *Id.* para. 219 (citations omitted).

[232] *See id.*; Hager v. ECW Press Ltd., [1999] 2 F.C. 287, paras. 40–42 (Can.) (holding that *Tele-Direct* does not have "a broad effect" in re-aligning Canadian copyright law with American law and away from British law in respect to creativity. Justice Reed acknowledges then that there is some effect, but not "a significant departure from the pre-existing law." Presumably the change is only manifested in respect to compilations of fact.).

[233] *See supra* note 228 and accompanying text.

[234] Galerie d'art du Petit Champlain Inc. v. Théberge, [2002] 17 C.P.R.4th 161 (Can.).

requires something more than mere labor to be considered an original "intellectual creation"; what that quality is, however, remains imprecise. It "will vary in the circumstances."[235]

### *E. Common Problems*

Copyright protects compilations in the form of collections of original works, of facts, and of the two combined; each must be original for the protection to subsist as a matter of law. The British law, both before the implementation of the Database Directive and after its 1998 implementation in domestic law respecting computer programs, has used, and continues to use a "sweat of the brow" approach.[236] The law is easy to describe but difficult to predict at the stage of identifying infringement rather than the protection stage; the nature and extent of the protection is very much dependent on the circumstances.[237] The nature of the work and the type and extent of "labor, skill or judgment" brought to bear by the author on his or her creation informs judgments of originality as well as substantiality of copying to determine whether there has been an "over-borrowing" from the original compilation.[238] This blurring of subsistence and substantiality reflects the nature of British copyright as a means to allied, but shifting, goals as befit the circumstances.

Thus, for example, in protecting an anthology of poetry, the court might look to the skill of the author in selecting from amongst the poet's accumulated works and the sympathetic ordering of the poems. The anthologist fits the picture of the romantic author so revered in the popular conception of copyright.

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[235] *CCH Canadian*, 212 D.L.R.4th 385 para. 221.

[236] *See* Univ. of London Press Ltd. v. Universal Tutorial Press Ltd, [1916] 2 Ch. 601, 608 (Eng.); Ladbroke (Football) Ltd. v. William Hill (Football) Ltd., [1964] 1 W.L.R. 273 (Eng.); Walter v. Lane, 1900 A.C. 539 (appeal taken from Eng.).

[237] *See, e.g.*, Biotrading & Financing OY v. Biohit Ltd., 1998 F.S.R. 109, 116 (Eng. Ch.); Autospin (Oil Seals) Ltd. v. Beehive Spinning, 1995 R.P.C. 683 (Eng. Ch.); Express Newspapers plc. v. News (U.K.) Ltd., [1990] 1 W.L.R. 1320 (Eng. Ch.); *Ladbroke (Football)* [1964] 1 W.L.R. at 273; G.A. Cramp & Sons Ltd. v. Frank Smythson Ltd., 1944 A.C. 329, 338 (Eng.); Cambridge Univ. Press v. Univ. Tutorial Press Ltd., 45 R.P.C. 335 (Eng. Ch. 1928).

[238] *Cf.* Telstra Corp. Ltd. v. Desktop Mktg. Sys. Pty Ltd., [2002] F.C.A.F.C. 112, para. 96 (Austl.).

In protecting a functional work like a coupon of football wagers, the court is more circumspect; considering the effort that went into collecting the data and presenting it accurately and suitable to a purpose. It protects the former happily, and the latter grudgingly. Yet it does protect them both. It does so notwithstanding that the dominant policy considerations are different as befits the differing nature of the subject matter—the two works and the justification for protecting each "are poles apart."[239] Copyright's mixed justifications give rise to doctrine that covers the shared concerns of these two rights-holders: to publish the work or withhold publication, to exploit the work economically in selected markets, to translate the work, etc. However, it is the functional nature of the coupon that draws the work away from the creative and to a concern with competition which shades the protection differently. Copyright law explicitly recognizes these functional differences and tries to stay its hand where it regards protection as inappropriate.

The American law articulates its hostility to interfering with free markets differently. Various devices, sometimes bordering on the fictional, are employed to deny protection rather than forestall a finding of infringement. The American law has done this through judicial construction of the idea-expression dichotomy in respect to "copyrightability" and through doctrine that seeks to safeguard a principled view of authorship. The *Feist* test considered the nature of functional subject matter in the form of factual compilations and decreed a "modicum of creativity" must be present to achieve copyright's goals,[240] and the Federal Court of Canada agreed (though a cloud now sits over that agreement).[241] Authorship of a factual compilation "conveys a sense of creativity and ingenuity" according to Décary J.A. in the *Tele-Direct* case, which appears as binding on the matter.[242] One might take the view that these tests are as hard to apply in a predictable and

[239] William Hill (Football) Ltd. v. Ladbroke (Football) Ltd., 1980 R.P.C. 539, 555 (Eng. 1962).

[240] *See* Feist Publ'ns, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340 (1991).

[241] *See* Tele-Direct (Publ'ns) Inc. v. Am. Bus. Info., Inc., [1996] 74 C.P.R.3d 72, 74, *aff'd*, [1998] 2 F.C. 22, 38 (Can. 1997).

[242] *See* CCH Canadian Ltd. v. Law Society of Upper Canada, [2002] 212 D.L.R.4th 385, paras. 29, 34 (Can.).

certain manner as sweat of the brow, and may not be as significant in practice as one might anticipate after reading the judgments in *Feist* and *Tele-Direct*. Consider subject matter as mundane as a list of used car prices.[243] In *CCC Information Services, Inc. v. Maclean Hunter Market Reports, Inc*., the issue before the United States Court of Appeals for the Second Circuit was whether a publication titled the *Automobile Red Book—Official Used Car Valuations* was protected in copyright.[244] The Red Book was published eight times a year, in different versions for each of three regions of the United States plus a single state, and set out values for each automobile make, model number, body style, and engine type that were included in the compilation.[245] Circuit Judge Leval found that the compilation was an original compilation under the *Feist* test: the prices were not historical statistics but "predictions" and thus were protectable expression rather than uncopyrightable facts.[246] That these predictions were laid out in the most logical ordering was insufficient to hold that the expression had merged with the idea or that the presentation of the material was not original:

> The fact that an arrangement of data responds *logically* to the needs of the market for which the compilation was prepared does not negate originality. To the contrary, the use of logic to solve the problems of how best to present the information being compiled is independent creation.[247]

Moreover, this was what *Feist* had in mind, according to Judge Leval:

> The thrust of the Supreme Court's ruling in *Feist* was not to erect a high barrier of originality requirement. It was rather to specify, rejecting the strain of lower court rulings that

[243] *See* CCC Info. Servs., Inc. v. Maclean Hunter Mkt. Reports, Inc., 44 F.3d 61, 67 (2d Cir. 1994); Mason v. Montgomery Data, Inc., 967 F.2d 135, 141 (5th Cir. 1992) (holding that maps satisfy *Feist* requirements for creativity in selection, coordination, and arrangement of information); Marshal & Swift v. BS & A Software, 871 F. Supp. 952, 960–61 (W.D. Mich. 1994) (holding that assessors' tables satisfy the *Feist* requirements).
[244] *See CCC Info. Servs.*, 44 F.3d at 64–74.
[245] *See id.* at 63.
[246] *See id.* at 67.
[247] *Id.* at 67.

> sought to base protection on the "sweat of the brow," that *some* originality is essential to protection of authorship, and that the protection afforded extends only to those original elements. Because the protection is so limited, there is no reason under the policies of the copyright law to demand a high degree of originality.[248]

Similarly, in *Edutile Inc. v. Automobile Protection Ass'n*,[249] the Federal Court of Appeal considered whether guides to the process of used cars and trucks were original compilations under *Tele-Direct*. These guides were published for consumers rather than car dealers, as was the case in *CCC Information Services*.[250] The guides listed three values for each vehicle in side-by-side columns: trade-in, private sale, and retail values.[251] It was this arrangement that made the compilation not only original, but "brilliant" and "innovative."[252] Décary J.A. reviewed some of the testimony at trial and found:

> I conclude from this testimony that the fact of setting out the "Private Sale" market and the "Retail Value" market side by side in columns was a "brilliant", "innovative" move. The Trial Judge could not ignore this decisive testimony . . . . It is not easy in compilation situations to draw a line between what signifies a minimal degree of skill, judgment and labour and what indicates no creative element . . . . A guide organized in this way is, to use this Court's words in *Tele-Direct*, at paragraph 28 [page 36], "a work that was independently created by the author and which displays at least a minimal degree of skill, judgment and labour in its overall selection or arrangement . . . ." Copyright accordingly subsists, resulting not from the three-column layout nor from the selection or designation as such of the three markets used by the appellant, but from the selection and layout of two juxtaposed columns, one

[248] *Id.* at 66.
[249] 6 C.P.R. (4th) 211 (F.C.), *appeal denied*, [2001] 1 FC at i (Can.).
[250] *See* CCH Canadian Ltd. v. Law Society of Upper Canada, [2002] 212 D.L.R.4th 385, paras. 29, 34 (Can.); *CCC Info. Servs.*, 44 F.3d at 67.
[251] *See Edutile,* 6 C.P.R.4th para. 3.
[252] *See id.* para. 12.

> dealing with the "Private Sale" market and the other dealing with the "Retail Value" market.[253]

Though this author anticipates that the language used would be less effusive, it is beyond doubt that a British court would also extend protection to each of these price guides, as would a pre-*Tele-Direct* Canadian court using a comparable standard, or an Australian court using a standard of "substantial" labor or expense incurred in the collection and presentation of data.[254] Indeed, though couched in the language of creativity, the *Edutile* court itself looked to the traditional test of labor, skill or judgment, and appears merely to have expanded the traditional list to include creativity as a relevant element.[255]

With respect, the reasoning in each of *Edutile* and *CCC Information Services* seems quite artificial and not directed to preserving the creativity and ingenuity inherent in any view of creative authorship; the judgments do make good commercial sense in protecting the investment of labor that went into the obtaining, selection, verification, and to some smaller degree, the arrangement of the data. However, the judgments obscure the policy reasons justifying protection, construct doctrine in a manner that does not anticipate the need to address the same concerns where the data might be presented in digital form, and act in a traditional manner reflective of the pre-*Feist* jurisprudence while attempting to employ some augmented *Feist* standard.[256] The result is that the *Edutile* and *CCC Information Services* may provide a pragmatic commercial balance through the construction and application of the originality standard in respect to factual compilations to a limited extent, but over-looked is the economic interest in continuing verification and maintenance of the contents of the database.[257] The incentive created through the copyright is

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[253] *Id.* paras. 13–15.

[254] Telstra Corp. Ltd. v. Desktop Mktg. Sys. Pty Ltd., [2002] F.C.A.F.C. 112, para. 96 (Austl.).

[255] *Edutile,* 6 C.P.R.4th para. 8.

[256] *Id.*

[257] *Id.*

focused on initial creation of the work, and does not address the equally significant issue of ongoing maintenance.[258]

Beyond the uncertainty of subsistence, the treatment of such factual compilations is on par with any other literary work such that concerns respecting access to data (and the problem of overly-strong proprietary protections curtailing access) and data aggregation are left to the general defenses or competition authorities. Arguably, the American system is best placed to overcome these problems given the flexibility of the fair use defense, but the uncertain application of that doctrine does not really address the concerns raised here in any meaningful way.[259]

Hence, the problem in all three jurisdictions examined is uncertainty and unpredictability in respect to developed doctrine. It is not that the doctrine yields the wrong results; the problem is more in respect to the difficulty in applying these tests to factual compilations, and particularly to routinely assembled and verified collections of data in electronic form. As a result, where formal legal models of protection display uncertainty, informal models become important—contract and technological measures—though these may result in over-containment as much as more formal models.[260] It may be that the tensions that arise in the law based on the functional nature of the subject matter are not capable of a final resolution in constructing copyright doctrine; the balance of interests needs continuous monitoring and occasional rebalancing in respect to new types of works, new uses, and new markets. This is of course in addition to concerns that copyright doctrine be structured to further a principled model of authorship in constructing an entitlement that is economically, philosophically, and culturally justifiable.[261]

Perhaps another approach altogether is warranted.

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[258] *Id.*

[259] *See* Maureen A. O'Rourke, *Property Rights and Competition on the Internet: In Search of an Appropriate Analogy*, 16 BERKELEY TECH. L.J. 561, 567–80, 622–27 (2001).

[260] *Id.*

[261] *See generally* Robert H. Rothstein, *Beyond Metaphor: Copyright Infringement and the Fiction of the Work*, 68 CHI.-KENT L. REV. 725 (1993) (describing the philosophical traditions behind the concept of authorship).

## III. THE EU DATABASE DIRECTIVE: A TWO-TIERED APPROACH

The Database Directive now forms part of the copyright and neighboring rights regime established thus far by the European Union in five Directives presently in force,[262] and two awaiting implementation.[263] Prior to the adoption of the Directive, differing approaches were taken to the core originality criterion for the protection of factual compilations amongst the various Member States of the European Union.[264] The United Kingdom, Ireland, the Netherlands, France, Portugal, and Spain all afforded full protection to collections of facts in one form or another.[265] Germany and Italy required the collection to be a "personal intellectual creation."[266] Denmark used the Scandinavian catalogue right, which was to be a model for the database right, providing for a term of ten years' protection.[267] Only Belgium and Luxembourg limited protection in any real sense.[268] All of this was alongside the differing scope of unfair competition protections.[269] The negotiators of the Database Directive were tasked with a uniform approach that would afford better and more effective protection of databases.[270]

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[262] Council Directive 96/9/EC, *supra* note 3; Council Directive 91/250/EEC, 1991 O.J. (L 122) 42 (legal protection of computer programs); Council Directive 92/100/EEC, 1992 O.J. (L 346) 61 (rental right and lending right and on certain rights related to copyright in the field of intellectual property); Council Directive 93/83/EEC, 1993 O.J. (L 248) 15 (coordination of certain rules concerning copyright and rights related to copyright applicable to satellite broadcasting and cable retransmission); Council Directive 93/98/EEC, 1993 (L 290) 9 (harmonization the term of protection of copyright and certain related rights).

[263] Council Directive 2001/84/EC, 2001 O.J. (L 272) 32 (resale right for the benefit of the author of an original work of art); Council Directive 2001/29/EC, 2001 O.J. (L 167) 10 (harmonization of certain aspects of copyright and related rights in the information society).

[264] *See generally* Shireen Smith, *Legal Protection of Factual Compilations and Databases in England—How Will the Database Directive Change the Law in This Area?*, 1997 INTELL. PROP. Q. 450, 467.

[265] *Id.* at 451.

[266] *Id.*

[267] *Id.*

[268] *Id.*

[269] *Id.*

[270] *Id.* at 466–67.

In any regime, new or old, assumptions are made and uncertainties arise and it is not this author's intention to dissect the provisions of the Directive in detail. The problems in the Database Directive are more profound and can be revealed without a highly technical analysis. In general, one can conclude that the Directive casts a net that is too broad, too unchecked by institutional balancing mechanisms, and too uncertain in many of its provisions to be a model for others. Some of these uncertainties and flaws may yet be eliminated when a database jurisprudence emerges from the European Court of Justice. However, given the tendency for Member States to implement the Directive with what some might term a particular European efficiency, there has not been an abundance of case law yet, and the situation may remain fluid for some time. One might note that some observers think the situation is so dire that the Directive ought to be repealed in its entirety as soon as possible.[271] This author thinks that this is a rather drastic solution to a set of discrete problems, each of which may be cured or minimized through less radical means.

### *A. The Goals Of The Directive*

Released as part of an ongoing exercise to reform the copyright laws of the European Union, the 1988 *Green Paper on Copyright and the Challenge of Technology* identified database protection as an area that should be addressed in the reform agenda,[272] and by 1991 the Commission felt that reform should be undertaken without delay.[273] The first proposal for a directive was submitted on April, 15 1992.[274] By this time, *Feist* had been decided as had some European decisions strongly preferring a creativity-linked approach to the protection of factual compilations.[275] The

[271] *See* Maurer et al., *Europe's Database Experiment*, *supra* note 32, at 790.

[272] *See* Green Paper on Copyright and the Challenge of Technology: Copyright Issues Requiring Immediate Action, COM(88)172 final at 207 [hereinafter Green Paper].

[273] *See* Follow-up to the Green Paper, COM(90)584 final.

[274] *See* Commission Proposal for a Council Directive on the Legal Protection of Databases, 1992 O.J. (C 156) 4.

[275] *See* P. Bernt Hugenholtz, *Implementing the European Database Directive*, *in* INTELLECTUAL PROPERTY AND INFORMATION LAW: ESSAYS IN HONOUR OF HERMAN COHEN JEHORAM 184, 195–96, 199–200 (Jan J.C. Kabel & Gerard J.H.M. Mom eds., 1998). *See, e.g.*, Van Dale Lexicografie B.V. v. Rudolf Jan Romme (holding that the

Explanatory Memorandum that accompanied the proposal took account of the developments in the United States, as well as the WIPO and GATT/TRIPS negotiations, and stated a preference for some degree of protection that would arise on the basis of effort rather than creativity.[276] Thus, protection of databases would not be limited in principle by that which might arise under a rigid regime oriented to protecting creativity-linked conceptions of authorship.[277] The point was to construct a protection for databases that would be tied to their functional, rather than aesthetic nature, obviating the need for an artificially weak construction of creativity.[278] Thus, from its earliest stages, the Directive was envisaged as one that should relate to the nature of the subject matter and the economic interest in protection, but the form of the protection was still firmly tied to a proprietary approach.[279]

By 1993, in the Amended Proposal[280] released after the process of initial consultation and revision, there was interest in a supplementary sui generis database right to copyright protection—a right that would be a non-proprietary and that could be modeled on the 10-year catalogue right in the Scandinavian countries.[281] The Amended Proposal was amended and re-amended as it made its way through the various institutions in the European legislative process, and became the final version of the Database Directive when adopted by the European Parliament and the Council of Ministers in 1996.[282] As agreed in final form, the Directive creates

creativity test—"the author's personal view"—had been met in organizing a dictionary of the Dutch language), *aff'd*, 1994 Nederlandse Jurisprudentie [NJ] 58 (Ct. App.).

[276] Explanatory Memorandum, COM(92)24 final at 36–38, paras. 6.1–.2.1.

[277] *Id.* at 25.

[278] *Id.*

[279] *Id.* at 26–31.

[280] Amended Proposal for a Council Directive on the Legal Protection of Databases, 1993 O.J. (C 308) 1 [hereinafter Amended Proposal].

[281] Gunnar W.G. Karnell, *The Nordic Catalogue Rule*, *in* PROTECTING WORKS OF FACT 67 (Egbert J. Dommering & P. Bernt Hugenholtz eds., 1991) (pointing out that the copyright acts of all five Nordic countries—Denmark, Finland, Iceland, Norway, and Sweden—contain provisions expressly protecting non-original compilations of data, such as catalogues, tables and similar compilations, provided they comprise "a large number" of items).

[282] Council Directive 96/9/EC, *supra* note 3.

a two-tiered approach to database protection: copyright protection on the basis of a creativity-linked test of originality with a term of the life of the author plus seventy years, and, the new sui generis database right with a term of fifteen years.[283] Made explicit in the negotiations and final form of the Directive was the restriction that data is not to be the subject of independent protection in providing protection to the database in which it is arranged and presented.[284]

### *B. Copyright Under the Directive*

Under the terms of the Directive, copyright protection only subsists in those databases which "by reason of the selection or arrangement of their contents, constitute the author's own intellectual creation."[285] No other criteria are to be applied to determine their eligibility for that protection,[286] and the test will not admit of aesthetic or qualitative criteria.[287] Professor Hugenholtz describes the final version of the originality test as reflective of the tortuous state of the negotiations: "[i]t is a typical European compromise, higher than the British requirement of 'skill and labour', but lower than the test of 'Überdurchschnittlichkeit' [clear originality]."[288]

In the EU, Member States with *droit d'auteur* systems typically use variations on a creativity standard that is equal to, and sometimes higher than, the *Feist* test.[289] In such *droit d'auteur* systems, originality goes far beyond constructing a higher threshold of protection as a gate-keeping device to limit the protection of utilitarian subject-matter; it speaks to a different philosophical approach to the issues which is predicated on the protection of the personality of the author as captured in his or her

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[283] *See id.* art. 10; Council Directive 93/98/EEC, *supra* note 262, art. 1.
[284] Council Directive 96/9/EC, *supra* note 3, para. 45.
[285] *Id.* art. 3.
[286] *Id.* art. 3(1).
[287] *See id.* para. 16.
[288] Hugenholtz, *supra* note 275, at 187. *See* Inkassoprogramm, Bundesgeritchtshofes in Zivilsachen [BGHZ] [Supreme Court] 94, 276 (285) (F.R.G.); GUY TRITTON, INTELLECTUAL PROPERTY IN EUROPE 213 (1996).
[289] *See* Neeta Thakur, *Database Protection in the European Union and the United States: The European Database Directive as an Optimum Global Model?*, 2001 INTELL. PROP. Q. 100, 109.

creation.[290] In any case, implementation of this aspect of the Directive in such civilian jurisdictions is relatively straightforward; their existing approaches to originality are already compliant, save where exceptional protections exist.[291] There have been suggestions that those standards are too high and will have to be revised downwards to ensure compliance, but that has not yet been addressed in implementing legislation or in jurisprudence.[292]

For the United Kingdom, Ireland and the Netherlands, more serious attention to compliance has been required. [293] While the term "intellectual creation" is based on the Berne Convention standard,[294] and the term "the author's own intellectual creation" is the same as that used in the Software Directive,[295] the position adopted by the United Kingdom is that what is intended in the Database Directive is a higher test of originality with application only to databases.[296] This would mean that United Kingdom copyright law (aside from databases) would still be regarded as generally compliant with the Berne Convention's use of the same standard, which itself has not seriously been doubted in the past. This position is bolstered by the Explanatory Memorandum, which explains that the originality test should not be the same for

[290] *Id.*; *see also* Gary Lea, *In Deference of Originality,* 7 ENT. L. REV. 21 (1996) (discussing that some see the differences as exaggerated, specifically in respect to functional matter).

[291] *But see* Thakur, *supra* note 289, at 113.

[292] *See* Hugenholtz, *supra* note 275, at 187 ("According to Gaster, the Commission official who was directly involved with the drafting of the Directive, all continental European Member States would have to lower the existing requirement of originality in respect to databases: 'Politically speaking the common law Member States will have to lift the bar for application of copyright protection, whereas the continental civil law countries will have to lower it. This bridging the gap between copyright and droit d'auteur is certainly not de minimis.'" (quoting Jens L. Gaster, *The EU Council of Ministers' Common Position Concerning the Legal Protection of Databases: A First Comment*, 17 ENT. L. REV. 258, 260 (1995)).

[293] The Netherlands has been unique in allowing a "pseudo-copyright" to attach to non–original expression. *See* Tobias Cohen Jehoram, *Copyright in Non-Original Writings: Past—Present—Future?*, *in* INTELLECTUAL PROPERTY AND INFORMATION LAW: ESSAYS IN HONOUR OF HERMAN COHEN JEHORAM 103, 105 (Jan J.C. Kabel & Gerard J.H.M. Mom eds., 1998).

[294] *See* Berne, *supra* note 62, art. 2(1).

[295] Council Directive 91/250/EEC, *supra* note 262, art. 1(3).

[296] *See* SHERMAN & BENTLY, *supra* note 80, at 95 n.81.

databases as for literary works in general.[297] Moreover, it seems perfectly sensible and consistent with the general assumption in the negotiations that the two-tiered approach adopted by the EU would be one that retains copyright in compliance with international obligations and national laws, but relegates it to a smaller role in the revised regime. In any case, the lack of objection from the Commission to the use of the higher standard elsewhere in the United Kingdom copyright regime and specifically in respect to computer programs seems to indicate its acquiescence to the British approach.

Thus, it would seem that Directive has been successful in cutting down the broad application of copyright based on a more refined model of authorship, consistent with the approaches favored in civilian jurisdiction, the United States, and Canada.

### *C. The Database Right*

The database right is the core and most important aspect of the Database Directive.[298] It is a non-proprietary protection that is independent of any copyright or other intellectual property right that may exist in the database, or in any of the individual pieces of data or information collected together within the database.[299] Article 7(1) of the Directive provides:

> 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.[300]

The database right evolved significantly during the legislative process.[301] The initial interest in protecting such subject-matter was the recognition that existing protections were inadequate given

[297] *See* Explanatory Memorandum, *supra* note 276, paras. 3.2.5–.6.
[298] *See* Council Directive 96/9/EC, *supra* note 3, art. 7.
[299] *See id.* art. 7(4).
[300] *Id.* art. 7(1).
[301] *See* Hugenholtz, *supra* note 275, at 185.

the ease by which digital databases could be copied—the traditional concern that the subject-matter at issue was expensive to compile and maintain, but was easy to misappropriate.[302] This naturally led to a rationale for protection predicated upon the same range of unfair competition principles that are present in common law copyright approaches.[303] In this sense, the initial orientation of the Directive fit both the immediate copyright reform agenda, and, the on-again, off-again interest in harmonizing unfair competition protections.[304]

There are three main problems with the database right: the absence of a strong link between the provisions as expressed and the justification for the protection, the protections as expressed are themselves overly-broad, and, there is uncertainty as to the level of investment required to attract or maintain database right. In the first proposal for the Database Directive, the right of the maker of the database was against *unfair* extraction and/or utilization, in commercial circumstances.[305] This was changed on the reasoning that fairness of extraction or utilization was a more difficult matter to judge than unauthorized extraction or reutilization.[306] Yet even the word "unauthorized" was eliminated from the later Amended Proposal while the infringing acts retained as then drafted.[307] The

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[302] *See* Green Paper, *supra* note 272, paras. 6.4.7–.10, .6.2.

[303] *See* Xuqiong (Joanna) Wu, *Foreign and International Law: Database Protection E.C. Database Directive*, 17 BERKELEY TECH. L.J. 571, 575 (2002).

[304] *See generally* Frauke Henning-Bodewig & Gerhard Schricker, *New Initiatives For The Harmonisation Of Unfair Competition Law In Europe* 24 EUROPEAN INTELL. PROP. REV. 271 (2002); Gerhard Schricker, *Twenty Five Years of Protection Against Unfair Competition*, INT'L REV. OF INDUS. PROP. & COPYRIGHT L. [IIC] 782 (1995) (providing an update on statute of efforts to harmonize unfair competition law); Friedrick-Karl Beier, *The Law of Unfair Competition in the European Community, Its Development and Present Status*, 16 IIC 139 (1985) (discussing historic development of unfair competition law in Europe); Eugen Ulmer, *Unfair Competition Law in the European Economic Community*, 4 IIC 188 (1973) (discussing harmonization of unfair competition laws).

[305] Explanatory Memorandum, *supra* note 276, art. 2(5) ("Member States shall provide for a right for the maker of a database to prevent the unauthorized extraction or reutilization, from that database, of its contents, in whole or in substantial part, for commercial purposes.").

[306] Debra B. Rosler, *The European Union's Proposed Directive for the Legal Protection of Databases: A New Threat to the Free Flow of Information*, 10 HIGH TECH. L.J. 105, 115–16 (1995).

[307] *Compare* Explanatory Memorandum, *supra* note 276, art. 2(5), *with* Amended Proposal, *supra* note 280, at 10(1), *and* Council Directive 96/9/EC, *supra* note 3, art.

unfortunate result is that while the Directive is concerned with misappropriation of the investment in the creation and maintenance of databases, the Directive lacks a unifying principle to guide doctrinal development of "extraction" and "re-utilization" within its text. This seems particularly unfortunate as the break in the link between protection and justification denudes the Directive of the conceptual certainty that plagues the problematic application of differing models of copyright law to functional subject matter. Indeed, this move away from a directed protection against misappropriation of investment by rivals and commercial actors to a protection of investment[308] generally is a central weakness.

The protections themselves become susceptible to overly broad application absent a limiting principle. For example, extraction as a singular basis for infringement leads to some surprising results—a hacker who accesses a database without a license, looks at the data, and memorizes it may well be guilty of extraction according to one judge,[309] as well as a "deep-linker" who seeks to aggregate information from disparate sources.[310] These seem outside the justification for the right and intellectual property protections generally. Similarly, re-utilization alone would seem to cover a myriad of uses in respect to the Internet. The provisions in the Directive lack specificity in these contexts, and one might expect that the Directive will have to be interpreted narrowly to avoid these implications.

Similarly, little guidance is given as to what constitutes a "substantial part" [311] of the database for the purposes of judging infringement. This adds little to remedying the problem of differential national application of copyright norms, where a purposive approach renders the question intimately involved with questions of originality. Clearly, it is the database that is protected rather than the data, so that one might expect that the same sort of

7(1). Yet Recital 6 of the Directive still lists as justification the absence of a generalized law of unfair competition "to prevent the unauthorized extraction and/or re-utilization of the contents of a database." Council Directive 96/9/EC, *supra* note 3, para. 6.

[308] Council Directive 96/9/EC, *supr*a note 3, para. 42.

[309] British Horseracing Bd. Ltd. v. William Hill Org. Ltd, 2001 R.P.C. 31, para. 57., *rev'd in part*, 2001 E.W.C.A. Civ. 1268 (Eng.).

[310] *See* Hugenholtz, *supra* note 275.

[311] Council Directive 96/9/EC, *supra* note 3, art. 7(2).

trap that the Australian High Court fell into respecting the value of every individual item in a computer program will not be repeated.[312] This was the position accepted by Justice Laddie in the recent *William Hill* case in the United Kingdom, presently before the European Court of Justice.[313] However, what "database-ness" consists of seems elusive at present, which is troubling given the breadth of the protections created by the Directive.

### *D. Defenses and Permissions*

The problems associated with a wide-ranging database right are compounded by the inadequate range of defenses and exceptions included within the provisions of the Directive.[314] This is most unfortunate given the early recognition in the negotiating process that protections recognized ought to be balanced against suitable

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[312] Autodesk Inc. v. Dyason, [1992] R.P.C. 575 (Austl.); *contra* Howard P. Knopf, *The Database Dilemma in Canada: Is "Ultra" Copyright Required?*, 48 U. NEW BRUNSWICK L.J. 163, 172 (1999) (regarding the draft WIPO Database Treaty).

[313] *See William Hill*, 2001 R.P.C. para. 47. In the *William Hill* case, BHB (the governing body for British horseracing) developed and maintained a large database of horses, owners, racing colors, trainers, jockeys and other information (most if not all available in the public domain). William Hill, in facts reminiscent of *Int'l News Serv. v. Associated Press*, 248 U.S. 215 (1918), obtained data from a subscriber to BHB's database and used it to operate its Internet gambling service. The data obtained was presented in a new format (with only the details of the meeting, race, list of horses running, and time of the race being re-utilized) but was not a substantial quantity of all the data available in BHB's database. It was held that this breached database right. Justice Laddie canvassed the Database Directive and its U.K. implementation and held that facts fell within the contemplation of the drafters in creating the new sui generis right. On appeal, 2001 E.W.C.A. Civ. 1268, the argument made was that Justice Laddie had interpreted the Directive over broadly and that there was a mix of inconsistent European authority. While inclined to dismiss the appeal, the Court of Appeal referred the matter to the ECJ:

> whether infringement of database right requires that there be a copying of the systematic arrangement of data as presented in the original database; whether extraction or re-utilization must be from the original directly, and whether obtaining from a licensee is outside the scope of the protection; and whether a "dynamic database" is a series of databases with separate rights, rather than one database whose contents are protected on different terms.

*Id.*

[314] *See* Council Directive 96/9/EC, *supra* note 3, art. 12 (providing that "Member States shall provide appropriate remedies in respect to infringements of the rights provided for in this Directive.").

permissions to enable appropriate access to data. Though there is scope for national action by Member States,[315] the sole mandatory general user permission is a narrow one.[316] Article 8(1) provides:

> The maker of a database which is made available to the public in whatever manner may not prevent a lawful user of the database from extracting and/or re-utilizing insubstantial parts of its contents, evaluated qualitatively and/or quantitatively, for any purposes whatsoever. Where the lawful user is authorized to extract and/or re-utilize only part of the database, this paragraph shall apply only to that part.[317]

The provision goes on, in article 8(2), to disallow the lawful user performing acts "which conflict with normal exploitation of the database or unreasonably prejudice the legitimate interests of the maker of the database."[318] These limiting provisions bear resemblance to the Berne, article 9(2), which allows for national defenses "provided that such reproduction does not conflict with the normal exploitation of the work and does not unreasonably prejudice the legitimate interests of another."[319] Article 9(1) was added to the Berne in the Stockholm Revision (1967) to ensure that the right of reproduction would be a minimum protection in all Berne Union countries, notwithstanding that its existence under Berne had been assumed.[320] Article 9(2) limits the right so as to allow countries to create exceptions, and should be construed narrowly so as not to interfere with the normal rights of exploitation associated with the copyright work.[321] The provisions were drafted by a special working party that was struck to address concerns respecting reprography (private copying in large numbers) and home taping of sound recordings and films broadcast

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[315] *See id.* art. 12 (preserving defenses existing in law in respect to copyright); *id.* art. 9 (allowing Member States to create exceptions for private use, teaching or scientific research, and public security or an administrative or judicial procedure).

[316] *See id.* art. 8(1).

[317] *Id.*

[318] *Id.* art. 8(2).

[319] Berne, *supra* note 62, art. 9(2); *see also* TRIPS, *supra* note 76, art. 13.

[320] *See* RICKETSON, *supra* note 66, at 120.

[321] *See* Berne, *supra* note 62, art. 9(2); NORDEMANN ET AL., *supra* note 66, at 107–08.

on television.[322] The Report of the Stockholm Conference makes clear that national jurisdictions can create exceptions for special circumstances such as private use and for teaching and research, but that the reproduction right must be respected in respect to its normal exploitation.[323]

This paucity of meaningful and compulsory defenses becomes more serious given the lack of mandatory licensing provisions within the Directive itself in respect to single-source data. The Directive contemplates that the refusal to license at all or on fair terms will allow for intervention,[324] as was the case in *Magill*, where the Commission was able to prevent the secondary market in television listings from being dominated unfairly by the data provider on the assumption that copyright existed in the program listings.[325] However, whether the failure to exercise the right to license the data according to the sui generis database right is the "exercise of an intellectual property right"[326] is uncertain, and, more seriously, it may be possible for the database holder to mount the defense that as the right doesn't attach to data and the data is presumably available elsewhere in an unprocessed or unpublished form, there is no scope for dominance according to *Magill*.[327]

The result is that the broad scope of the right is not balanced against meaningful defenses or permissions, and that the wide allowance for the development of defenses within particular jurisdictions undercuts the goal of harmonized treatment. The further result is that the sui generis database right has emerged as property-like protection without the institutional devices available in other intellectual property areas to provide market or public interest-based balance. In this way, the desire to provide an adequate level of protection while avoiding the prospect of over-containment through a proprietary model has led to just that—a wide right without adequate balancing mechanisms.

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[322] *See* NORDEMANN ET AL., *supra* note 66, at 33.

[323] Report of the Rapporteur Général (Svante Bergström), para. 85, *translated in* STEPHEN M. STEWART & HAMISH SANDISON, INTERNATIONAL COPYRIGHT AND NEIGHBOURING RIGHTS 122 (1989).

[324] *See* Council Directive 96/9/EC, *supra* note 3, at para. 47.

[325] Radio Telefis Eireann v. Comm'n of the European Cmtys., [1995] 4 C.M.L.R. 18.

[326] *See* Council Directive 96/9/EC, *supra* note 3, paras. 17, 18.

[327] *See id.*

## CONCLUSIONS: THE WAY FORWARD IN REFORM

The legal issues raised in respect to the protection of factual compilations are not new, but the business and legal environment is different today than in the past and may favor substantially revised legal models as a consequence. That environment is no longer a strictly national one, and, looking to the copyright revision exercise, it should be borne in mind that the best solutions are those that further the international interest in harmonization of laws. For the law of copyright, this means that functional expression should be treated for the utilitarian subject matter that it is, with less emphasis on the protection of artificial authorial creativity and with more emphasis on the protection of investment against misappropriation. The reality is that Canadian law does protect factual compilations at present, where the originality test can be satisfied to allow copyright to subsist in such material.[328] Like the United States and the United Kingdom, it does so hesitantly, with difficulty, and through uncertain doctrine prone to misapplication.[329] The result is that legal protection is unclear (and thus the costs of determining and enforcing rights increase, with those costs passed to users), with the likely result that informal protections (contract, the use of technology) are employed by rational business people seeking to safeguard their investment. These informal models of protection should be of as much concern to those weighing the balance between protection and access interests as formalized proprietary models. Moreover, this approach fails to address the public interest concerns associated with specific uses of data (leaving them for the general defenses that are made available in respect to all original literary works), fails to address the economics of databases meaningfully (specifically the interest in promoting an optimal degree of maintenance), and leaves the problem of data aggregation for competition authorities (not intrinsically bad, but a complication that could be resolved better internally).

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[328] *See* Galerie d'art du Petit Champlain Inc. v. Théberge, [2002] 17 C.P.R.4th 161 (Can.); CCH Canadian Ltd. v. Law Society of Upper Canada, [2002] 212 D.L.R.4th 385, paras. 29, 34 (Can.); Hager v. ECW Press Ltd., [1999] 2 F.C. 287, paras. 40–42 (Can.).

[329] *See supra* Parts III.B–C.

Looking across jurisdictions and concluding that these problems are common to them, it is also apparent that copyright law seeks to protect factual compilations on a blending of various justifications but primarily on the basis of a generalized concept of unfair competition. Protecting such an interest traditionally poses problems for the law, and protection of a variety of forms of intellectual property through a direct tort on that basis has been avoided in the past on principle. Simply put, the cure of a roving tort not subject to internal balancing mechanisms in respect to valuable intangibles is felt to be worse than the disease of misappropriation of investment by trade rivals. Thus copyright has sufficed in protection of factual compilations, but uneasily.

If copyright is to continue in this area, as it must pending revision of international agreements at the very least, perhaps it is not wrong that it does so on the basis of the protection of a principled model of authorship. This leads to the desirable consequence of leaving purely utilitarian collections completely outside proprietary regimes and including only the very few collections that can meet a stricter test within the copyright system. Thus, the anthologist who meets a higher creativity-linked test is truly an author deserving of not only the right to exploit his or her work, but also of those non-economic moral rights which accompany copyright protection. The corporate maker of a database that is continuously updated through the use of automated technology is not regarded as being similarly situated.

Less-worthy ("unoriginal") databases are still worthy of some form of protection; protection that will provide an economic incentive to create and make widely available the comprehensive and verifiably accurate sets of pure data that are so important today. Thus, it may be that a two-tiered approach is most appropriate—copyright protection based on a higher standard, and, a new sui generis right to protect factual compilations (whether in digital or conventional form) that is directed at the protection of the substantial investment made in the selection, arrangement, presentation, or verification of the contents of the database. This answers the need unmet by copyright at present, the provision of an incentive to maintain the database on an ongoing basis. Provided that the term of the right and the test for subsistence are

set appropriately, such a database right would be a positive contribution to the copyright reform exercise. Indeed, such a revised two-tiered regime may not only be a suitable way forward for Canada, but a revised Canadian regime along these lines would also be useful in setting the agenda for a second attempt at a database treaty under the auspices of WIPO.

The European experience in this regard is instructive.[330] What began as a directed vehicle for database protection that balanced competing interests became an unfocussed and asymmetric regime.[331] It is a good idea gone wrong. What is required in a revised Canadian model is far greater certainty in specifying the justification for protection, the level of investment required to attract and maintain protection, and the term of the right. These are primarily economic matters and the empirical studies by leading international economists should be of great help in constructing a better system along the same broad lines as created in the Database Directive. Rather than obscured and artificial reasoning tied to either authorial creativity alone or as an element of a general test of "labor, skill or judgment," revised models should feature transparent economic criteria capable of more certain application. At the same time, it would be very useful to include provisions within the statutory framework to deal with the problem of data aggregation directly, rather than leaving the matter to competition law at large. This is also an area in which studies respecting the economics of databases would be of great assistance. This author wishes to detail the optimal term of protection and the level of investment required, but doing so would make heroic assumptions about the ability of legal academics to draw accurate economic conclusions.

Moreover, this author suggests that it is important to recognize that lawyers and judges are not economists, and neither is the singular goal of intellectual property law to create an optimally efficient market in intellectual property. As economic efficiency is to economists, so too is the "rule of law" to lawyers—an imprecise ideal that gathers together concepts of equality, fairness, human

[330] *See supra* Part IV.
[331] *See id.*

rights, and principled regulation. Thus, a meaningful mechanism for balancing competing interests is crucial. Ultimately, the question of public interest uses is a matter of policy rather than law and resolution is bound up with prevailing conceptions of legal culture. Thus, whether a given system prefers these decisions to be made by trial courts under the auspices of a quasi-equitable fair use defense (with the implicit requirement that litigation, if not encouraged, is at least not discouraged through the costs rules)[332] or by the legislature which takes upon itself the task of enacting narrow provisions as required from time to time (as has been more of the tradition in Canada and the United Kingdom), it matters less for the narrow purposes of intellectual property protection what method is chosen but that the process establishes itself as a meaningful vehicle to weigh competing interests and re-balance the scale to accommodate changing new or changing circumstances. Thus, it is both unnecessary and undesirable to create a series of public-interest based permissions in the abstract and much more desirable to leave such matters where they belong, with Parliament. With regret to those favoring complete models, no more specific proposition is possible given it is the use of the subject matter that is at issue, not its character.

[332] *See supra* note 139 and accompanying text.