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**BOTTLING THE FREE FLOW OF INFORMATION:  
A COMPARATIVE ANALYSIS OF U.S. AND EU DATABASE  
PROTECTION**

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## I. INTRODUCTION

Modern society is in the midst of the Information Age.<sup>1</sup> Information has been described as “the life-blood by which people conduct their daily lives.”<sup>2</sup> The economies of developed nations do not suffer from a lack of available information.<sup>3</sup> However, difficulties do arise in the collection, organization, maintenance, access, and presentation of the information available.<sup>4</sup>

The old cliché, time is money, has been realized.<sup>5</sup> Accordingly, the relevant issue is no longer the ability to access information, but rather the amount of time it takes to access the information.<sup>6</sup>

Databases are created to deal with the specific problem of information organization. Databases can be defined as “collections of information arranged in such a way that one or more items of information within them may be retrieved by any person with access to the collection containing those items.”<sup>7</sup> Well-created databases allow users to pinpoint and access specific information in the mountains of available data. Ease of use makes databases more valuable to individuals. Society as a whole benefits from databases’ role in the creation of new information, which facilitates easier access to the stepping stones of stored data.<sup>8</sup>

This article analyzes the current protection of databases in the United States and the European Union, and tackles the issue of harmonization. Section II analyzes database protection in the United

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<sup>1</sup> MARK J. DAVISON, *THE LEGAL PROTECTION OF DATABASES* 1 (2003); *DATABASE LAW* 1 (Christopher Rees & Simon Chalton eds., 1998).

<sup>2</sup> *DATABASE LAW*, *supra* note 1, at 1.

<sup>3</sup> “It has been estimated that the volume of the increase annually in information generated today equals the total information in circulation in the world fifty years ago.” DAVISON, *supra* note 1, at 2 n.4 (citing Proposal for a Council Directive on the Legal Protection of Databases, COM (1992) 24 final (May 13, 1992)). Such information growth has been accelerated by an increased ability to store, access and use data. For example, the human genome can be expressed on 200,000 pages or on a few compact disks. DAVISON, *supra* note 1, at 2 n.5 (citing Human Genome Project Information at <http://www.ornl.gov/hgmis/publicat/primer/fig14.html>).

<sup>4</sup> DAVISON, *supra* note 1, at 1.

<sup>5</sup> Ian Walker, a professor of Economics at Warwick University, developed the formula  $V = (W(100-t)/100)/C$  – where V is the value of an hour, W is a person’s hourly wage, t is the tax rate, and C is the local cost of living – to calculate how people value their time in relation to their activities. The average British minute is worth just over 15 cents to men and 12 cents to women. *See Time is Money, Professor Proves*, CNN.COM/SCI-TECH (May 29, 2002, 12:30 PM), <http://archives.cnn.com/2002/TECH/science/05/29/time.money/>.

<sup>6</sup> DAVISON, *supra* note 1, at 1.

<sup>7</sup> *Id.*

<sup>8</sup> DAVISON, *supra* note 1, at 2–3.

States, focusing on copyright protection, and looking at other common law protections available to the authors of databases. Section III discusses how European databases are protected under the EU Database Directive. Section IV examines the proposal of harmonization through the establishment of an American *sui generis* right. Finally, Section V concludes against the enactment of such legislation.

## II. THE AMERICAN SYSTEM

### A. Copyright Protection

#### 1. *Analysis of Law*

Among the enumerated powers vested in Congress through Article I of the Constitution is the authority to create and protect intellectual property rights.<sup>9</sup> Congress uses this authority to enact copyright laws granting authors exclusive rights to their original works.<sup>10</sup> Copyright protection is only available to works satisfying the following three prerequisites: (1) that the work is fixed in a tangible medium of expression; (2) that the work is original; and (3) that the work is an expression, rather than an “idea, procedure, process, system, method of operation, concept, principle, or discovery.”<sup>11</sup> The requirement of originality, and the requirement that the work be an expression, both bar the copyrightability of facts.<sup>12</sup>

*Originality.* The United States Supreme Court has repeatedly held that originality is a constitutional requirement of copyrightable works.<sup>13</sup> In the *Trade-Mark Cases*, the Court determined that “originality is required,” and explained that “[t]he writings which are to be protected are *the fruits of intellectual labor*.”<sup>14</sup> In *Burrow-Giles*, the Court limited copyright to “original intellectual conceptions of the

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<sup>9</sup> U.S. CONST. art. I, § 8, cl. 8 (“Congress shall have Power . . . [t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.”).

<sup>10</sup> 17 U.S.C. §§ 102, 103, 106 (2006).

<sup>11</sup> 17 U.S.C. § 102 (2006); JULIE E. COHEN ET AL., *COPYRIGHT IN A GLOBAL INFORMATION ECONOMY* 47 (2d ed. 2006).

<sup>12</sup> See *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 345–50 (1991).

<sup>13</sup> *Id.* at 347; *Burrow-Giles Lithographic Co. v. Saroni*, 111 U.S. 53, 58 (1884); *In re Trade-Mark Cases*, 100 U.S. 82, 94 (1879); 1 MELVILLE B. NIMMER & DAVID NIMMER, *NIMMER ON COPYRIGHT* § 1.06[A] (2011); see also L. Ray Patterson & Craig Joyce, *Monopolizing the Law: The Scope of Copyright Protection for Law Reports and Statutory Compilations*, 36 UCLA L. REV. 719, 763 n.155 (1989).

<sup>14</sup> *In re Trade-Mark Cases*, 100 U.S. at 94.

author.”<sup>15</sup> More recently, in *Feist*, the Court reiterated that the requirement for originality “remains the touchstone of copyright protection today.”<sup>16</sup> The Court further defined the term “original,” as used in copyright law, as meaning that the author independently created the work and that it possesses at least a minimum degree of creativity.<sup>17</sup>

It is impossible for an author to claim originality as to facts.<sup>18</sup> An author can only record a fact; in other words, the fact itself owes no part of its existence to the creativity of the author.<sup>19</sup> In *Feist*, the Court offered the analogy that census takers “do not ‘create’ the population figures that emerge from their efforts; in a sense, they copy these figures from the world around them.”<sup>20</sup> Census data therefore do not trigger copyright because these data are not ‘original’ in the constitutional sense.”<sup>21</sup>

In the past, several lower courts have misinterpreted the copyright statute by creating the “sweat of the brow” or “industrious collection” doctrine.<sup>22</sup> This doctrine was used to justify copyright protection of factual, yet unoriginal works as a reward for the author’s labor.<sup>23</sup> In *Feist*, the Court expressly rejected the “sweat of the brow” doctrine, stating that it “flouted basic copyright principles.”<sup>24</sup> The *Feist* Court also noted that the Copyright Office and Congress had taken measures to ensure the requirement of originality in copyright.<sup>25</sup>

*Idea/Expression Dichotomy.* While expression is subject to copyright protection, ideas and discoveries are expressly non-

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<sup>15</sup> *Burrow-Giles*, 111 U.S. at 58.

<sup>16</sup> *Feist*, 499 U.S. at 347.

<sup>17</sup> *Id.* at 345 (citing 1 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT §§ 2.01[A], [B] (1990)).

<sup>18</sup> *Id.* at 347 (quoting 1 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 2.11[A] (1990)).

<sup>19</sup> *Id.*

<sup>20</sup> *Id.* (citing Robert C. Denicola, *Copyright in Collections of Facts: A Theory for the Protection of Nonfiction Literary Works*, 81 COLUM. L. REV. 516, 525 (Apr. 1981)).

<sup>21</sup> *Id.* (quoting 1 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 2.03[E] (1990)).

<sup>22</sup> *See id.* at 352.

<sup>23</sup> *See, e.g.,* *Leon v. Pac. Tel. & Tel. Co.*, 91 F.2d 484 (9th Cir. 1937); *see also* *Jeweler’s Circular Publ’g Co. v. Keystone Publ’g Co.*, 281 F. 83 (2d Cir. 1922).

<sup>24</sup> *Feist*, 499 U.S. at 354.

<sup>25</sup> *Id.* at 354–59 (noting the Report of Register of Copyrights on the General Revision of the U.S. Copyright Law, 87th Cong., 1st Sess., p. 9 (H. Judiciary Comm. Print 1961), and Congress’ deletion of §3 and the reference of “directories . . . and other compilations” from §5 of the 1909 Copyright Act, and addition of §102(b), §103, and a definition for the term “compilation” in §101 in the Copyright Act of 1976).

copyrightable.<sup>26</sup> This limitation of copyrightable subject matter is statutory rather than constitutional,<sup>27</sup> and is commonly known as the idea/expression dichotomy.<sup>28</sup> Congress divided those entitled to intellectual property protection into two categories: authors (whose expressions are protected by copyright) and inventors (whose ideas and discoveries are protected by patent).<sup>29</sup>

The Supreme Court has further delineated support for the idea/expression dichotomy through a series of cases.<sup>30</sup> The Court has elaborated that facts fall on the idea end of the dichotomy. In *Feist*, the Court determined that “[t]he first person to find and report a particular fact has . . . merely discovered its existence.”<sup>31</sup> In other words, “[t]he discoverer merely finds and records.”<sup>32</sup> As such, facts “may not be copyrighted and are part of the public domain available to every person.”<sup>33</sup>

Although ideas are not protected, original expression used in the presentation of ideas or facts is copyrightable.<sup>34</sup> Therefore, “[o]thers may copy the underlying [ideas or] facts from [a work] but not the precise words used to present them.”<sup>35</sup> Only those elements that are original to the author are eligible for copyright protection.<sup>36</sup> An idea or fact that is presented in an original expression is referred to as being “dressed.”<sup>37</sup> The amount of protection that “dressed facts” receive

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<sup>26</sup> 17 U.S.C. § 102(b) (2006).

<sup>27</sup> See *Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53, 56–57 (1884). Compare 17 U.S.C. § 102 (2006), with U.S. CONST. art. I, § 8.

<sup>28</sup> See generally *Feist*, 499 U.S. at 355–56 (explaining that Section 102(b) preserves the basic dichotomy between expression and idea).

<sup>29</sup> *Burrow-Giles*, 111 U.S. at 56; *Baker v. Selden*, 101 U.S. 99, 105 (1879).

<sup>30</sup> *Baker*, 101 U.S. at 107 (holding that the exclusive rights to a system of accounting described in a book could only be granted by patent and not by copyright); *Harper & Row Pub., Inc. v. Nation Enters. Inc.*, 471 U.S. 539, 556–57 (1985) (“No author may copyright his ideas or the facts he narrates. . . . But copyright assures those who write and publish factual narratives . . . may at least enjoy the right to market the original expression contained therein . . . .”) (internal citations omitted); *Mazer v. Stein*, 347 U.S. 201, 217 (1954) (“Unlike a patent, a copyright gives no exclusive right to the art disclosed; protection is given only to the expression of the idea – not the idea itself.”).

<sup>31</sup> *Feist*, 499 U.S. at 347.

<sup>32</sup> *Id.* (quoting 1 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 2.03[E] (1990)).

<sup>33</sup> *Id.* at 348 (quoting *Miller v. Universal City Studios, Inc.*, 650 F.2d 1365, 1369 (5th Cir. 1981)).

<sup>34</sup> See, e.g., *Baker*, 101 U.S. at 101–02; see also *Feist*, 499 U.S. at 349.

<sup>35</sup> *Feist*, 499 U.S. at 348.

<sup>36</sup> *Id.*

<sup>37</sup> Malla Pollack, *The Democratic Public Domain: Reconnecting the Modern First Amendment and the Original Progress Clause (a.k.a. Copyright and Patent Clause)*, 45 JURIMETRICS J. 23, 25–26 (2004).

corresponds with the quantity and quality of their expressive facade.<sup>38</sup>

*Doctrine of Merger.* Under the doctrine of merger, an idea that can only be expressed in one, or a limited number of ways, merges with that expression into an uncopyrightable whole.<sup>39</sup> The merger doctrine developed from the First Circuit's reasoning in *Morrissey v. Procter & Gamble Co.*:

When the uncopyrightable subject matter is very narrow, so that “the topic necessarily requires,” if not only one form of expression, at best only a limited number, to permit copyrighting would mean that a party or parties, by copyrighting a mere handful of forms, could exhaust all possibilities of future use of the substance. In such circumstances it does not seem accurate to say that any particular form of expression comes from the subject matter. However, it is necessary to say that the subject matter would be appropriated by permitting the copyrighting of its expression. We cannot recognize copyright as a game of chess in which the public can be checkmated.<sup>40</sup>

The circuit courts are split as to whether the doctrine of merger directly applies to the issue of whether a work is eligible for copyright protection or is only applicable as an affirmative defense to copyright infringement.<sup>41</sup> The Second and Ninth Circuits have held that the merger doctrine is only applicable as a defense to copyright infringement.<sup>42</sup> The First, Fifth, and Eleventh Circuits have applied

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<sup>38</sup> See Robert A. Gorman, *Fact or Fancy? The Implications for Copyright*, 29 J. COPYRIGHT SOC. 560, 563 (1982) (“[E]ven within the field of fact works, there are gradations as to the relative proportion of fact and fancy. One may move from sparsely embellished maps and directories to elegantly written biography. The extent to which one must permit expressive language to be copied, in order to assure dissemination of the underlying facts, will thus vary from case to case.”).

<sup>39</sup> See *Morrissey v. Procter & Gamble Co.*, 379 F.2d 675, 678–79 (1st Cir. 1967).

<sup>40</sup> *Id.* (citations omitted) (holding that copyright does not extend to a set of rules for a promotional contest); see also 4 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 13.03[B][3] (2007) (explaining that “courts have invoked the merger doctrine” where “rigorously protecting the expression would confer a monopoly over the idea itself, in contravention of the statutory command.”).

<sup>41</sup> See, e.g., *Mason v. Montgomery Data, Inc.*, 967 F.2d 135, 138 n.5 (5th Cir. 1992) (noting a split as to the doctrine of merger).

<sup>42</sup> *Kregos v. Associated Press*, 937 F.2d 700, 705 (2d Cir. 1991) (“Assessing merger in the context of alleged infringement will normally provide a more detailed and realistic basis for evaluating the claim that protection of expression would invariably accord protection to an idea.”); *Ets-Hokin v. Skyy Spirits, Inc.*, 225 F.3d 1068, 1082 (9th Cir. 2000) (holding that merger is a defense to infringement).

the merger doctrine to determine whether a work satisfies the “originality” requirement for copyrightability.<sup>43</sup>

The split of authority among the circuit courts has created uncertainty as to the issue of the required degree of interconnection between an expression and an idea for the merger doctrine to apply.<sup>44</sup> The Third and Sixth Circuits use a blunt test to determine when ideas and expression have merged.<sup>45</sup> Under this test, the courts ask whether there is only one way or various ways to express an idea.<sup>46</sup> The Second Circuit developed a more nuanced test in *Kregos v. Associated Press*, under which the merger doctrine is only applied when the ideas being expressed “undertake to advance the understanding of phenomena or the solution of problems, such as the identification of the symptoms that are the most useful in identifying the presence of a particular disease,” rather than when ideas are “infused with the author’s taste or opinion.”<sup>47</sup> In the Ninth Circuit, “[t]he guiding consideration in [the application of the merger doctrine] is the preservation of the balance between competition and protection reflected in the patent and copyright laws.”<sup>48</sup>

*Compilations.* Copyright law recognizes that authors can create

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<sup>43</sup> *Morrissey*, 379 F.2d at 678 (holding that the instructions for a sweepstakes contest could not be copyrighted); see *BellSouth Adver. & Pub. Corp. v. Donnelley Info. Pub., Inc.*, 999 F.2d 1436, 1442 (11th Cir. 1993) (en banc) (applying the merger doctrine to the question of copyrightability); *Kern River Gas Transmission Co. v. Coastal Corp.*, 899 F.2d 1458, 1460 (5th Cir. 1990) (applying the merger doctrine to the question of copyrightability). The Seventh Circuit also has cases that can be read as supporting the application of the merger doctrine to the question of copyrightability, but the dicta is more convoluted. See, e.g., *Assessment Tech. of WI, LLC v. WIREdata, Inc.*, 350 F.3d 640, 643 (7th Cir. 2003) (“[I]f there is only one way in which to express an idea . . . then form and idea merge, and in that case since an idea cannot be copyrighted the copying of the form is not an infringement”).

<sup>44</sup> Lewis R. Clayton, *The Merger Doctrine*, THE NATIONAL LAW JOURNAL (June 6, 2005), [http://www.paulweiss.com/files/tbl\\_s29Publications/FileUpload5679/5645/MergerDoct.pdf](http://www.paulweiss.com/files/tbl_s29Publications/FileUpload5679/5645/MergerDoct.pdf).

<sup>45</sup> See *ATC Distrib. Grp., v. Whatever It Takes Transmissions & Parts*, 402 F.3d 700, 707–08 (6th Cir. 2005); *Whelan Assocs. v. Jaslow Dental Lab.*, 797 F.2d 1222, 1236 (3d Cir. 1986).

<sup>46</sup> See *Whelan*, 797 F.2d at 1236 (holding that the merger doctrine does not apply “where there are various means of achieving the desired purpose”); *ATC*, 402 F.3d at 707–08 (“[W]hen there is essentially only one way to express an idea, the idea and its expression are inseparable . . .”) (quoting *Kohus v. Mariol*, 328 F.3d 848, 856 (6th Cir. 2003)).

<sup>47</sup> *CCC Info. Servs., v. Maclean Hunter Mkt. Reports*, 44 F.3d 61, 71 (2d Cir. 1994) (applying the *Kregos* test to hold that the merger doctrine did not apply to a database containing future values of used cars); see *Kregos v. Associated Press*, 937 F.2d 700, 706 (2d Cir. 1991).

<sup>48</sup> *CDN Inc. v. Kapes*, 197 F.3d 1256, 1262 (9th Cir. 1999) (quoting *Herbert Rosenthal Jewelry Corp. v. Kalpakian*, 446 F.2d 738, 742 (9th Cir. 1971)).



factual compilations that are original in their selection, coordination, or arrangement of data.<sup>49</sup> However, for a factual compilation to be eligible for copyright protection, its original elements must be “made independently by the compiler and entail a minimal degree of creativity . . . .”<sup>50</sup> Even if copyright protection is extended to the selection, coordination, or arrangement of information within a compilation, the underlying data remains in the public domain.<sup>51</sup>

## 2. *Application to Databases*

Under copyright law, databases are viewed as compilation works.<sup>52</sup> As such, their original selection and coordination or arrangement of data is protected.<sup>53</sup> Accordingly, while copyright protection “may extend only to those components of a work that are original to the author,”<sup>54</sup> the facts themselves may never become original through association with other parts of the work.<sup>55</sup>

Databases, by definition, are collections of materials, but not all databases contain the same type of material. The classification of the material in the database is critical to determining whether or not that material is eligible for copyright protection. When the author of the database adds no subjective expression to the factual material within the database, the facts themselves are not copyrightable because they lack the requisite level of originality.<sup>56</sup> The selection and arrangement of those facts may be protected, but the data itself is in the public

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<sup>49</sup> 17 U.S.C. § 101 (2006).

<sup>50</sup> *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 348 (1991) (citing Nimmer & Nimmer, *supra* note 13, at §§ 2.11[D], 3.03; Robert C. Denicola, *Copyright in Collections of Facts: A Theory for the Protection of Nonfiction Literary Works*, 81 COLUM. L. REV. 516, 523 n.38 (1981)).

<sup>51</sup> *Feist*, 499 U.S. at 347–48.

<sup>52</sup> The Copyright Act defines a compilation as “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.” 17 U.S.C. §101 (2006).

<sup>53</sup> *Feist*, 499 U.S. at 348.

<sup>54</sup> *Id.* (citing *Patterson & Joyce*, *supra* note 13, at 800–802; Jane C. Ginsburg, *Creation and Commercial Value: Copyright Protection of Works of Information*, 90 COLUM. L. REV. 1865, 1868, 1868 n.12 (1990)).

<sup>55</sup> *Id.* at 349.

<sup>56</sup> *See id.* at 353–54 (holding that names, towns and telephone numbers of subscribers listed in a phone book are uncopyrightable facts and do not satisfy the originality requirement); *see also* *Matthew Bender & Co. v. West Publ'g Co.*, 158 F.3d 693, 699 (2d Cir. 1998) (holding that “[b]ecause the internal pagination of West’s case reporters does not entail even a modicum of creativity, the volume and page numbers are not original components of West’s compilations and are not themselves protected by West’s compilation copyright”).

domain.<sup>57</sup>

A database can also contain facts that the author has dressed with his or her subjective expressions. The idea/expression dichotomy requires that underlying facts be excluded from copyright protection because the facts exist independent of the author.<sup>58</sup> However, the author's original expression of facts may be subject to protection.<sup>59</sup> While the hurdle of originality set by *Feist*<sup>60</sup> is agreed to be low, the circuit courts have established minimum levels of originality at seemingly different heights.<sup>61</sup>

Finally, an author may form a database by compiling nonfactual ideas or opinions. In such cases, copyright protection is not limited for want of originality, but by the idea/expression dichotomy and the doctrine of merger.<sup>62</sup> The idea/expression dichotomy limits copyright protection to the author's original expression of ideas, leaving the ideas themselves in the public domain.<sup>63</sup> The expression of ideas in their most simplistic form may subject the work to the doctrine of merger, eliminating copyright protection.<sup>64</sup> However, databases are most useful when "expressed in the most simple, unadorned, and direct fashion."<sup>65</sup> Thus, the author of a database must weigh the value of copyright protection against the usefulness of the database in deciding how simplistically to present ideas and opinions. As the circuit courts have different standards for when ideas merge with expression, there is a resulting uncertainty as to what constitutes an

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<sup>57</sup> *Feist*, 499 U.S. at 350.

<sup>58</sup> *Id.*

<sup>59</sup> *Id.* at 348.

<sup>60</sup> *Id.* at 345 ("To be sure, the requisite level of creativity is extremely low; even a slight amount will suffice. The vast majority of works make the grade quite easily . . .").

<sup>61</sup> See Clayton, *supra* note 44. Compare *Southco, Inc. v. Kanebridge Corp.*, 258 F.3d 148, 156 (3d Cir. 2001) (rejecting copyrightability of a database that assigned numbers to products because the numbering was dictated by a system and therefore lacked originality), and *ATC Distrib. Grp. v. Whatever It Takes Transmissions & Parts*, 402 F.3d 700, 709 (6th Cir. 2005) (rejecting originality in the non-systematic numbering of parts because the "allocation of numbers to parts was an essentially random process, serving only to provide a useful shorthand way of referring to each part"), with *Am. Dental Ass'n v. Delta Dental Plans Ass'n.*, 126 F.3d 977, 979 (7th Cir. 1997) (upholding copyright protection of a database of dental procedures that assigned each procedure a number and description because the author had shown originality in his numbering of the procedures and in their descriptions).

<sup>62</sup> See *supra* notes 24–25 and accompanying text.

<sup>63</sup> *Feist*, 499 U.S. at 350.

<sup>64</sup> See *supra* pp. 5–7 (discussing the doctrine of merger).

<sup>65</sup> *CCC Info. Servs., v. Maclean Hunter Mkt. Reports*, 44 F.3d 61, 70 (2d Cir. 1994).

idea versus an expression.<sup>66</sup>

The distinction between idea and facts, or creation and discovery, “may be in the eye of the beholder.”<sup>67</sup> The difficulty of this distinction has led some courts to avoid the issue by assuming creation and disposing of the case with the merger doctrine.<sup>68</sup>

The second factor that must be considered when determining whether a database is eligible for copyright protection is the originality of the selection and coordination or arrangement of its contents.<sup>69</sup> Originality requires independence and a minimal level of creativity.<sup>70</sup> While the majority of databases possess sufficient originality in their selection or arrangement, there remains a distinct set of databases that cannot even garner copyright protection of these elements.<sup>71</sup>

In *Feist*, the Supreme Court ruled that the “selection” of the names, addresses, and telephone numbers of phone service customers contained in the white-pages of a phone book and the “arrangement” of that data in alphabetical order were practically useful, but “lack[ed] the modicum of creativity necessary to transform mere selection [and organization] into copyrightable expression.”<sup>72</sup> In *Bellsouth Advertising & Publishing Corp. v. Donnelley Information Publishing, Inc.*, the Eleventh Circuit elaborated on the issues of selection and arrangement of information within a phone directory.<sup>73</sup> Specifically, the court rejected the idea that the geographic scope and closing date of a phonebook’s contents were original acts of selection.<sup>74</sup> The court reasoned that holding otherwise “would protect such factual elements of every compilation . . . ‘fixed in any tangible medium of expression.’”<sup>75</sup> The court further distinguished between “creatively original selection of facts” as subject to copyright protection and “creative means used to discover those facts” as not eligible for such protection.<sup>76</sup> The court then focused on the arrangement of

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<sup>66</sup> Compare *CDN Inc. v. Kapes*, 197 F.3d 1256, 1262 (9th Cir. 1999) (holding that the present valuations of coins were protectable expressions), with *New York Mercantile Exch., Inc. v. Intercontinental Exch., Inc.*, 497 F.3d 109, 117–18 (2d Cir. 2007) (holding that the daily settlement price of commodity futures cannot be expressed independently of the idea and are therefore unfringeable).

<sup>67</sup> Cohen, *supra* note 11, at 300.

<sup>68</sup> See, e.g., *New York Mercantile Exchange, Inc.*, 497 F.3d at 116.

<sup>69</sup> See *supra* note 43 and accompanying text.

<sup>70</sup> *Feist*, 499 U.S. at 358.

<sup>71</sup> *Id.* at 358–59.

<sup>72</sup> *Id.* at 362–63.

<sup>73</sup> *Bellsouth Adver. & Publ’g Corp. v. Donnelley Info. Publ’g, Inc.*, 999 F.2d 1436, 1438 (11th Cir. 1993).

<sup>74</sup> *Id.* at 1446.

<sup>75</sup> *Id.* at 1441 (quoting 17 U.S.C. § 102(a) (2006)).

<sup>76</sup> *Id.* (emphasis omitted).

information, holding that a phone directory's yellow pages, arranged as "an alphabetized list of business types, with individual businesses listed in alphabetical order under the applicable headings," was not sufficiently original to warrant copyright protection.<sup>77</sup> The court did note that, unlike in *Feist*, there was no direct copying of "the text or graphic material from the advertisements . . . the positioning of [the] advertisements, [or] typeface . . ." <sup>78</sup> Thus, a competitor was able to take "the bulk of the factual material from a preexisting [database] without infringement of the author's copyright . . ." <sup>79</sup>

## B. Common Law Protection

### 1. Trade Secret

It is possible that some databases may receive legal protection through the principles of trade secret law. In the United States, courts first recognized damages as an appropriate remedy for the misappropriation of trade secrets in 1837, and recognized injunctive relief as an appropriate remedy in 1866.<sup>80</sup> During the early 20th Century, most states adopted the common law tort of improper use or disclosure of trade secrets as set forth in Sections 757 and 758 of the First Restatement of Torts.<sup>81</sup> Today, most states have adopted some form of the Uniform Trade Secrets Act (UTSA),<sup>82</sup> and all states have some form of trade secret protection.<sup>83</sup>

Databases can qualify as a trade secret if they derive "independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from their disclosure or use,"<sup>84</sup> and reasonable efforts are made to maintain their secrecy.<sup>85</sup>

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<sup>77</sup> *Id.* at 1442.

<sup>78</sup> *Id.* at 1445.

<sup>79</sup> *Id.*

<sup>80</sup> *Taylor v. Blanchard*, 95 Mass. 370 (1866); *see Vickery v. Welch*, 36 Mass. 523, 527 (1837).

<sup>81</sup> RESTATEMENT (FIRST) OF TORTS §§ 757, 758 (1939); ROBERT P. MERGES ET AL., INTELLECTUAL PROPERTY IN THE NEW TECHNOLOGICAL AGE 35 (4th ed. 2007).

<sup>82</sup> UNIF. TRADE SECRETS ACT, 14 U.L.A. 437, *et. seq.* (1985). Some form of the UTSA has been adopted by 40 states and the District of Columbia. MERGES, *supra* note 81, at 36.

<sup>83</sup> Trade secret protection is mandated by United States commitment to the World Trade Organization. Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, Protection of Undisclosed Information – Results of the Uruguay Round, 33 I.L.M. 1125 (1994) [hereinafter TRIPs], *available at* [http://www.wto.org/english/docs\\_e/legal\\_e/27-trips\\_04c\\_e.htm](http://www.wto.org/english/docs_e/legal_e/27-trips_04c_e.htm).

<sup>84</sup> UNIF. TRADE SECRETS ACT § 1(4)(i).

The types of databases eligible for protection as trade secrets are limited in scope and generally contain membership, customer, pricing, marketing, distribution, and/or supplier data.<sup>86</sup> Databases containing public information are not subject to trade secret protection.<sup>87</sup> However, even databases containing business related information are only eligible for trade secret protection if the information is held in secrecy and that secrecy adds to its value.<sup>88</sup>

Even if a database qualifies as a trade secret, a cause of action seeking either damages or injunctive relief only arises when the database is misappropriated.<sup>89</sup> Misappropriation only occurs when a trade secret is acquired, used, or disclosed by improper means or by someone with a contractual or implied duty to protect the secret.<sup>90</sup>

While trade secret law adequately protects a limited category of proprietary databases, it is incapable of protecting creators of databases that unassociated persons are intended to use. The entire premise of trade secret protection runs contrary to the public policy of “advancing the *public* welfare”<sup>91</sup> by encouraging the creation, publication, and distribution of “works of lasting *benefit to the world*.”<sup>92</sup>

## 2. Contract

The common law of contracts is fundamentally intertwined with federal copyright protection because owners of copyrights often use contracts in order to license and profit from their work.<sup>93</sup> Creators of

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<sup>85</sup> *Id.* at § 1(4)(ii).

<sup>86</sup> *See, e.g.,* Armenian Assembly of Am., Inc. v. Cafesjian, 692 F. Supp. 2d 20 (D.D.C. 2010) (mailing lists); Rimkus Consulting Grp., Inc. v. Cammarata, 688 F. Supp. 2d 598 (S.D. Tex. 2010) (client and pricing information); Intel Int’l Grp., Ltd. v. Neergheen, 08-CV-3939, 2010 WL 145786 (N.D. Ill. Jan. 12, 2010) (marketing, distribution, & supplier data).

<sup>87</sup> Nat’l Bus. Aviation Ass’n, Inc. v. F.A.A., 686 F. Supp. 2d 80 (D.D.C. 2010).

<sup>88</sup> *See supra* notes 73–74 and accompanying text.

<sup>89</sup> UNIF. TRADE SECRETS ACT §§ 2(a), 3(a).

<sup>90</sup> *Id.* at § 1(1). Improper means are not limited to outright theft, trespass, or illegal conduct and, but can expand to include morally questionable acts of industrial and commercial espionage. *See* E. I. DuPont deNemours & Co. v. Rolfe Christopher, 431 F.2d 1012 (5th Cir. 1970) (holding that commissioning a third party to take aerial photographs of a closed construction site constituted improper means).

<sup>91</sup> *Mazer v. Stein*, 347 U.S. 201, 219 (1954) (emphasis added).

<sup>92</sup> *Washington Pub. Co. v. Pearson*, 306 U.S. 30, 36 (1939) (emphasis added).

<sup>93</sup> *See, e.g.,* MERGES, *supra* note 81, at 866. When dealing with the transfer of rights of a copyrighted work, the distinction between contracting and licensing can become important due to the copyright doctrine of first sale. *See* Microsoft Corp. v. Harmony Computers & Elec., Inc., 846 F. Supp. 208, 212–13 (E.D.N.Y. 1994).

databases that are eligible for little or no copyright protection may use contracts to create or expand intellectual property rights in their works.<sup>94</sup>

Although some proprietary databases are distributed to a select number of users through using original and negotiated contracts, the vast majority of databases are intended for commercial sale to the public at large. These databases are generally distributed subject to end-user licenses (commonly referred to as “shrinkwrap” or “clickwrap” licenses) purporting to protect the database and its contents.<sup>95</sup> In the 1996 case of *ProCD, Inc. v. Zeidenberg*, the Seventh Circuit first recognized the enforceability of shrinkwrap licenses.<sup>96</sup> Writing for the majority, Judge Easterbrook reasoned the shrinkwrap license was enforceable because the Uniform Commercial Code allows for a contract to be “made in any manner sufficient to show agreement.”<sup>97</sup> In other words, under the UCC, an agreement is shown to have been formed when the purchaser sees the license and fails to return the goods.<sup>98</sup> Although shrinkwrap licenses have since been recognized by a majority of courts,<sup>99</sup> a significant minority of courts continue to deny their enforcement.<sup>100</sup>

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<sup>94</sup> *E.g.*, MERGES, *supra* note 81, at 866.

<sup>95</sup> MERGES, *supra* note 81, at 853. A shrinkwrap license contains restrictions on the purchaser’s use of the database and is typically found shrink-wrapped to the outside packaging, but may sometimes be located inside the packaging, in the user manual, or other locations. *ProCD, Inc. v. Zeidenberg*, 86 F.3d 1447, 1449–50 (7th Cir. 1996). A clickwrap license is used for databases that are directly distributed or accessed over the Internet; it acts by “present[ing] the user with a message on his or her computer screen, requiring that the user manifest his or her assent to the terms of the license agreement” before accessing the database. *Specht v. Netscape Commc’ns Corp.*, 150 F. Supp. 2d 585, 593–94 (S.D.N.Y. 2001), *aff’d*, 306 F.3d 17 (2d Cir. 2002).

<sup>96</sup> *Compare Zeidenberg*, 86 F.3d at 1455 (7th Cir. 1996), with *Vault Corp. v. Quaid, Inc.* 847 F.2d 255, 269–70 (5th Cir. 1988) (license provision unenforceable), and *Arizona Retail Sys. v. Software Link, Inc.*, 831 F. Supp. 759, 766 (D. Ariz. 1993) (end user not bound by license agreement).

<sup>97</sup> U.C.C. § 2-204(1) (2004), *construed in Zeidenberg*, 86 F.3d at 1452.

<sup>98</sup> *ProCD*, 86 F.3d at 1452–53.

<sup>99</sup> *See Davidson & Assocs. v. Jung*, 422 F.3d 630, 635 (8th Cir. 2005); *Bowers v. Baystate Techs., Inc.*, 320 F.3d 1317, 1327 (Fed. Cir. 2003); *Info. Handling Servs. v. LRP*, 2000 Copyright L. Decisions ¶28, 177–78 (E.D. Pa. 2000); *Peerless Wall & Window Coverings, Inc. v. Synchronics*, 85 F. Supp. 2d 519, 527 (W.D. Pa. 2000); *Adobe Sys. Inc. v. One Stop Micro, Inc.*, 84 F. Supp. 2d 1086, 1090–92 (N.D. Cal. 2000); *M.A. Mortenson Co. v. Timberline Software Corp.*, 998 P.2d 305, 307 (Wash. 2000).

<sup>100</sup> *See Klocek v. Gateway, Inc.*, 104 F. Supp. 2d 1332, 1338–40 (D. Kan. 2000); *Novell, Inc. v. Network Trade Ctr., Inc.*, 25 F. Supp. 2d 1218, 1230 (D. Utah 1997). *Cf. Morgan Labs Inc. v. Micro Data Base Sys. Inc.*, 41 U.S.P.Q.2d 1850, 1853 (N.D. Cal. 1997) (not allowing a shrinkwrap license to modify a previously executed

*continued . . .*

Clickwrap licenses exhibit some significant differences from their shrinkwrap counterparts. It is unclear as to whether the sale of a license entitling the user to access a database through the Internet constitutes the sale of goods, in which case Article 2 of the UCC would govern the transaction. If not, the sale of such a license would be governed by the common law of contracts.<sup>101</sup> However, in many situations there will be no essential differences between the application of the UCC and common law contract principles.<sup>102</sup>

The character of online sales allows the shrinkwrap terms to be fully disclosed to the buyer before purchase, thus eliminating one of the major problems associated with shrinkwrap licensing.<sup>103</sup> The ability to provide pre-transaction notice makes enforcement of clickwrap licenses significantly easier than enforcing shrinkwrap licenses.<sup>104</sup> Still, clickwrap licenses must be clear to the “reasonably prudent offeree” of downloadable software in order to be upheld by the courts.<sup>105</sup>

Even if a shrinkwrap or clickwrap agreement complies with and is enforceable under either the UCC or common law contract principles, federal law may nevertheless preempt the issue of whether such an agreement is enforceable.<sup>106</sup> Contracts related to databases may be federally preempted under the Section 301 of the Copyright Act or the Supremacy Clause of the Constitution.<sup>107</sup>

Section 301 preempts any state law that creates a right that is equivalent to one granted by copyright.<sup>108</sup> Although no court has gone

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contract). The reasoning behind denying enforceability is varied. *Compare* Arizona Retail Sys. Inc. v. Software Link, Inc., 831 F. Supp. 759, 765–66 (D. Ariz. 1993) (“battle of the forms” under U.C.C. §2-207), *with* Vault Corp. v. Quaid Software Ltd., 655 F. Supp. 750, 761–62 (E.D. La. 1987) (contract of adhesion), *and* Vault Corp. v. Quaid Software Ltd, 847 F.2d 255, 269–70 (5th Cir. 1988) (preempted by federal intellectual property laws).

<sup>101</sup> *Specht v. Netscape Commc’ns Corp.*, 306 F.3d 17, 29 n.13 (2d Cir. 2002).

<sup>102</sup> *Id.*

<sup>103</sup> MERGES, *supra* note 81, at 881.

<sup>104</sup> *See* Hotmail Corp. v. Van Money Pie Inc., No. C-98 JW PVT ENE, C 98-20064 JW, 1998 WL 388389, at \*6 (N.D. Cal. Apr. 16, 1998) (assuming enforceability of clickwrap licenses); *see generally* Caspi v. Microsoft Network LLC, 732 A.2d 528 (N.J. Super. Ct. App. Div. 1999).

<sup>105</sup> *See Specht*, 306 F.3d at 31 (holding that a license, which could only be found by scrolling to a screen located below the download button, was unenforceable because its existence would not necessarily be clear to a reasonably prudent downloader of software).

<sup>106</sup> *See* Dennis S. Karjala, *Copyright Owners’ Rights and Users’ Privileges on the Internet: Federal Preemption of Shrinkwrap and On-line Licenses*, 22 U. DAYTON LAW REV. 511, 525 (1997).

<sup>107</sup> U.S. CONST. art. VI, cl. 2; 17 U.S.C. § 301 (2006).

<sup>108</sup> 17 U.S.C. § 301 (2006).

so far as to opine that contracts can never grant rights equal to those bestowed by copyright, in *ProCD*, the Seventh Circuit elaborated on what it saw as broad categorical differences between copyright and contract rights.<sup>109</sup> In *ProCD*, the court differentiated between what it viewed as a copyright's grant of an exclusive right against the world—only waived by affirmative action—and a contract's creation of a duty on the part of a specific party—with no effect on the rights of the rest of the world.<sup>110</sup> Many academics have been skeptical about the reality of this distinction.<sup>111</sup> Indeed, such a distinction becomes particularly suspect when considering that the contract at issue in *ProCD* was the same shrinkwrap license that was attached to every copy sent into the world.<sup>112</sup>

Other courts have used “additional element analysis” to test for preemption under Section 301.<sup>113</sup> Under this analysis, if a state law cause of action contains at least one additional element beyond a claim of copyright infringement it is not preempted by the copyright act.<sup>114</sup> Although the test is facially sound, many courts have taken an extremely liberal approach in their determination of what qualifies as an additional element to a state law cause of action.<sup>115</sup> Accordingly, judicial application of additional element analysis has made it difficult for any claim in state law to be preempted by Section 301.

Under the Supremacy Clause of the Constitution, a state law that has not been explicitly preempted by federal law will still be preempted if the state law conflicts with a federal mandate or is contrary to the purpose of a federal statute.<sup>116</sup> The Copyright Act not only provides for the grant of protection, but can also be seen as eschewing all protection of a work where Congress has determined

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<sup>109</sup> See *ProCD, Inc. v. Zeidenberg*, 86 F.3d 1447, 1450–55 (7th Cir. 1996).

<sup>110</sup> *Id.* at 1454.

<sup>111</sup> See, e.g., Margaret Jane Radin & R. Polk Wagner, *The Myth of Private Ordering: Rediscovering Legal Realism in Cyberspace*, 73 CHI.-KENT L. REV. 1295, 1295 (1998) (explaining contracts are not private as they depend on the public legal system for their enforcement); Mark A. Lemley, *Beyond Preemption: The Law and Policy of Intellectual Property Licensing*, 87 CALIF. L. REV. 111, 149 (1999) (“[E]ven truly ‘private’ contracts affect third parties who haven’t agreed to the contract terms. Many contracts have significant negative externalities.”).

<sup>112</sup> MERGES, *supra* note 81, at 961; see *ProCD, Inc.*, 86 F.3d at 1450.

<sup>113</sup> *Wrench LLC v. Taco Bell Corp.*, 256 F.3d 446, 456 (6th Cir. 2001).

<sup>114</sup> MERGES, *supra* note 81, at 962.

<sup>115</sup> See *Nat’l Car Rental Sys. v. Computer Assocs. Int’l, Inc.*, 991 F.2d 426, 432 (8th Cir. 1993) (finding that *use* is not an element of copyright infringement); *Wrench LLC*, 256 F.3d at 459 (holding that the requirement of “expectation of compensation” in a claim of an implied contract prevented its preemption).

<sup>116</sup> U.S. CONST. art. VI, cl. 2; see *McCulloch v. Maryland*, 17 U.S. 316, 396 (1819).



that the “free and unrestricted distribution of a [work] is . . . required by the national interest . . . .”<sup>117</sup> The circuit courts are split as to whether shrinkwrap licenses can be preempted by the policy of public domain set forth in the Copyright Act, but the trend is towards finding against preemption.<sup>118</sup>

### III. THE EUROPEAN SYSTEM

In Europe, the EU Database Directive protects authors’ investments in the creation of databases.<sup>119</sup> The EU Database Directive defines databases as collections of works or other materials that are systematically arranged and can be individually accessed.<sup>120</sup> This definition encompasses both physical and electronic databases.<sup>121</sup> It is not necessary that database material be physically stored in an organized manner.<sup>122</sup> While “materials necessary for the operation or consultation of certain databases such as thesaurus and indexation systems,” are included within the definition of the term “database,”<sup>123</sup> the definition does not encompass the computer programs necessary in database creation or operation.<sup>124</sup>

The directive established a two-pronged system of protection. The directive first recognizes that copyright is an appropriate form of database protection.<sup>125</sup> It then goes further to establish additional measures to prevent the unauthorized extraction and reutilization of the contents within a database.<sup>126</sup>

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<sup>117</sup> *Goldstein v. California*, 412 U.S. 546, 559 (1973).

<sup>118</sup> *Compare Vault Corp. v. Quaid Software Ltd.*, 847 F.2d 255, 270 (5th Cir. 1988), and *Bowers v. Baystate Techs. Inc.*, 320 F.3d 1317, 1337 (Fed. Cir. 2003) (Dyk, J., dissenting) (endorsing *Vault Corp.*), with *Davidson & Assocs. v. Jung*, 422 F.3d 630, 639 (8th Cir. 2005), and *Bowers*, 320 F.3d at 1323. See also *ProCD, Inc. v. Zeidenberg*, 86 F.3d 1447, 1455 (7th Cir. 1996) (reversing the district court’s holding that a shrinkwrap license was invalid because it restricted rights of uncopyrightable information, but failing to address the issue of the Supremacy Clause preemption).

<sup>119</sup> Directive 96/9/EC, of the European Parliament and of the Council of March 11, 1996 on the Legal Protection of Databases, 1996 O.J. (L 77) 20.

<sup>120</sup> *Id.* at pmb1. para. 17.

<sup>121</sup> *Id.* at pmb1. para. 14.

<sup>122</sup> *Id.* at pmb1. para. 21.

<sup>123</sup> *Id.* at pmb1. para. 20.

<sup>124</sup> *Id.* at pmb1. para. 23 (noting that computer programs are protected by Council Directive 91/250/EEC of 14 May 1991 on the legal protection of computer programs).

<sup>125</sup> *Id.* at pmb1. para. 5.

<sup>126</sup> *Id.* at pmb1. para. 6.

### A. Copyright Protection

The EU Database Directive establishes database copyright protection that is nearly equivalent to its American counterpart.<sup>127</sup> Under the EU copyright framework, the selection and arrangement of contents within a database represents the author's own intellectual creation, and are therefore eligible for copyright protection.<sup>128</sup> No other criteria, such as effort or cost, are considered in copyright eligibility.<sup>129</sup> Copyright protection of a database does not extend to the contents therein and does not affect any right or protections of the underlying contents.<sup>130</sup>

### B. Sui Generis Protection

The second prong of the EU Database Directive grants authors *sui generis*<sup>131</sup> rights in their databases.<sup>132</sup> This additional protection is aimed at securing authors' exclusive rights where "the making of databases requires the investment of considerable human, technical and financial resources . . . [and] can be copied or accessed at a fraction of the cost needed to design them independently."<sup>133</sup> Thus, the Europeans have made the public policy determination to protect the "sweat of the brow" efforts of database authors, something that was specifically rejected by the United States Supreme Court.<sup>134</sup>

The EU Database Directive sets forth the EU's reasoning for creating a *sui generis* database protection.<sup>135</sup> The exponential growth of information highlights the importance of databases as a vital tool in all sectors of industry and commerce.<sup>136</sup> Therefore, the EU recognized that promoting the investment in advanced information processing

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<sup>127</sup> Copyright protection of databases became internationally unified and delineated by the WIPO Copyright Treaty, adopted in Geneva on December 20, 1996. See WIPO, WIPO INTELLECTUAL PROPERTY HANDBOOK: POLICY, LAW AND USE, ch. 5, WIPO Publication No. 489(E), available at <http://www.wipo.int/about-ip/en/iprm>; compare Council Directive 96/9/EC, *supra* note 119, ch. 2, art. 3, with 17 U.S.C. §§ 101–810 (2006).

<sup>128</sup> Council Directive 96/9/EC, *supra* note 119, at ch. 2, art. 3.

<sup>129</sup> *Id.*

<sup>130</sup> *Id.*

<sup>131</sup> The term *sui generis* "is used in intellectual-property law to describe a regime designed to protect rights that fall outside the traditional patent, trademark, copyright, and trade-secret doctrines." BLACK'S LAW DICTIONARY 1475 (8th ed., 2004).

<sup>132</sup> Council Directive 96/9/EC, *supra* note 119, at ch. 3.

<sup>133</sup> *Id.* at pmb1. para. 7.

<sup>134</sup> See *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 359 (1991).

<sup>135</sup> Council Directive 96/9/EC, *supra* note 119, at art. 7.

<sup>136</sup> *Id.* at pmb1. paras. 9–10.

systems is a benefit to society.<sup>137</sup> Furthermore, the EU reasoned that, unless measures were taken to prevent unauthorized extraction or reutilization of database contents, the necessary investment in database creation would not occur, resulting in serious economic and technical consequences.<sup>138</sup>

The EU Database Directive establishes a *sui generis* right for:

[T]he 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.<sup>139</sup>

While the text seems straightforward, it must be further examined to answer several relevant questions: (1) who is entitled to *sui generis* protection; (2) what databases are entitled to *sui generis* protection; and (3) what rights are conferred by *sui generis* protection?

*Sui generis* rights vest in the ‘maker’ of a database, distinguished from the ‘author’ who may be entitled to copyright protection.<sup>140</sup> The EU Database Directive defines the maker of a database as “the person who takes the initiative and the risk of investing” in the creation of a database and excludes subcontractors.<sup>141</sup> This definition is consistent with the Directive’s purpose of promoting investment in the creation of databases.<sup>142</sup> The Directive protects human, technical, and financial investments in database creation.<sup>143</sup>

There are scenarios where copyright and *sui generis* protection will vest in the same person, as well as scenarios where possession of these rights will diverge.<sup>144</sup> When the maker of a database invests significant intellectual resources in the original selection and arrangement of material, he also qualifies as an author under

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<sup>137</sup> See generally *id.* at pmb1.

<sup>138</sup> *Id.* at pmb1. paras. 8, 10, 12.

<sup>139</sup> *Id.* at art. 7.

<sup>140</sup> DAVISON, *supra* note 1, at 82.

<sup>141</sup> Council Directive 96/9/EC, *supra* note 119, at pmb1. para. 41.

<sup>142</sup> DAVISON, *supra* note 1, at 82.

<sup>143</sup> See Council Directive 96/9/EC, *supra* note 119, at pmb1. para. 7 (explaining “the making of databases requires the investment of considerable human, technical and financial resources”); 39 (referring to financial and professional investments in databases); 40 (explaining “investment may consist in the deployment of financial resources and/or the expending of time, effort and energy”).

<sup>144</sup> DAVISON, *supra* note 1, at 83.

copyright.<sup>145</sup> Making a purely financial investment or human investment (through selection and arrangement of data that is significant but not creative) qualifies the investor as a maker of the database, but fails to establish authorship.<sup>146</sup>

The EU Database Directive requires that the investment in “obtaining, verification or presentation of the contents” of a database must be either qualitatively or quantitatively substantial in order to qualify for *sui generis* protection.<sup>147</sup> Therefore, a database may qualify for *sui generis* protection by satisfying one of two requirements. First, a database is eligible for protection when the author invests substantial physical or mental efforts (*i.e.* sweat of the brow work).<sup>148</sup> However, the Directive does not specify how much sweat must fall from the creator’s brow in order for a database to become eligible for *sui generis* protection.<sup>149</sup> The Directive states that the purpose of establishing “this *sui generis* right is to ensure protection of *any* investment . . . of financial resources and/or expending of time, effort and energy.”<sup>150</sup> Although the Directive establishes a minimal requirement of investment,<sup>151</sup> in practice, the requirement is not difficult to satisfy.<sup>152</sup>

A database may also qualify for *sui generis* protection by showing a substantial investment in obtaining, verifying, or presenting material.<sup>153</sup> Accordingly, a work satisfying the copyright requirement that the selection and arrangement of material result from the author’s intellectual creation, will also qualify for *sui generis* protection.<sup>154</sup> An author’s original arrangement of material constitutes a qualitative investment in presentation.<sup>155</sup> An author’s original selection of material constitutes a qualitative investment in obtaining the contents of the database.<sup>156</sup> Therefore, a database eligible for protection under copyright law will almost always also qualify for *sui generis*

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<sup>145</sup> Council Directive 96/9/EC, *supra* note 119, at ch. 2, art. 3, para. 1.

<sup>146</sup> *Cf. id.* (noting that the only criterion of authorship is whether the work is the “author’s own intellectual creation”).

<sup>147</sup> *Id.* at ch. 3, art. 7, para. 1.

<sup>148</sup> *Cf. id.*; *cf. id.* at pmbl., para. 40.

<sup>149</sup> COHEN et al., *supra* note 11, at 305; *see also* Council Directive 96/9/EC, *supra* note 119, at ch. 3, art. 7, para. 1.

<sup>150</sup> Directive 96/9/EC, *supra* note 119, at pmbl., para. 40 (emphasis added).

<sup>151</sup> *Id.* at pmbl., para. 19 (noting that the compilation of several recordings of musical performances on a CD does not represent a substantial enough investment to be eligible under the *sui generis* right).

<sup>152</sup> COHEN et al., *supra* note 11, at 306.

<sup>153</sup> Council Directive 96/9/EC, *supra* note 119, at ch. 3, art. 7, para. 1.

<sup>154</sup> *Id.* at ch. 2, art. 3, para. 1.

<sup>155</sup> DAVISON, *supra* note 1, at 84.

<sup>156</sup> *Id.*

protection, with both rights vesting in the same person.<sup>157</sup>

The Directive bestows the maker of a database with a *sui generis* right “to prevent extraction and/or reutilization” of the database contents.<sup>158</sup> This *sui generis* right to prevent extraction and/or reutilization is analogous to the grant of exclusive rights in reproduction and creation of derivative works provided under copyright law.<sup>159</sup> However, *sui generis* protection diverges from copyright law by extending protection to the contents of databases and does not limit protection to the selection and arrangement.<sup>160</sup> The protection of contents is the Directive’s most important divergence from traditional copyright law, and this protection was the primary reason for its creation.<sup>161</sup>

Under the Directive, qualifying databases are granted a fifteen-year term of *sui generis* protection.<sup>162</sup> However, unlimited renewals of the initial fifteen-year term can be granted upon the showing of further substantial investment in the database by materially adding, removing, or altering its contents.<sup>163</sup>

#### IV. ASSESSING HARMONIZATION BY ESTABLISHING AN AMERICAN *SUI GENERIS* DATABASE PROTECTION

In the United States, legislation proposing greater protection of databases has been considered numerous times since the implementation of the EU Database Directive.<sup>164</sup> The first legislative

<sup>157</sup> *Id.*

<sup>158</sup> Council Directive 96/9/EC, *supra* note 119, at ch. 3, art. 7, para. 1.

<sup>159</sup> DAVISON, *supra* note 1, at 87–88. Compare Council Directive 96/9/EC, *supra* note 119, at ch. 3, art. 7, paras. 1–2, with 17 U.S.C. § 106 (2006), and with Berne Convention for the Protection of Literary and Artistic Works, art. 11, § 1, art. 12, July 24, 1971, S. Treaty Doc. No. 99–27 (1986) (amended September 28, 1979), and WIPO Copyright Treaty, art. 6, § 1, Dec. 20, 1996, S. Treaty Doc. No. 105-17 (1997), 36 I.L.M. 65 (1997).

<sup>160</sup> Compare Council Directive 96/9/EC, *supra* note 119, at ch. 3, art. 7, para. 1 (“Member States shall provide for a right . . . to prevent extraction and/or reutilization of . . . the contents of that database.”), with WIPO Copyright Treaty, *supra* note 159, at art. 5 (“[Databases] which by reason of the selection or arrangement of their contents constitute intellectual creations, are protected as such. This protection does not extend to the data or the material itself . . .”).

<sup>161</sup> Council Directive 96/9/EC, *supra* note 119, at pmbl., paras. 1, 13, 17.

<sup>162</sup> *Id.* at ch. 3, art. 10, paras. 1–2.

<sup>163</sup> *Id.* at ch. 3, art. 10, para. 3.

<sup>164</sup> See Database Investment and Intellectual Property Antipiracy Act of 1996, H.R. 3531, 104th Cong. (1996); see also Collections of Information Antipiracy Act, H.R. 2652, 105th Cong. (1997); Collections of Information Antipiracy Act, H.R. 354, 106th Cong. (1999); Consumer and Investor Access to Information Act of 1999, H.R. 1858, 106th Cong. (1999); Database and Collections of Information Misappropriation Act, H.R. 3261, 108th Cong. (2003); Consumer Access to

*continued . . .*

proposals for creating *sui generis* database protection were closely modeled on the property approach set forth in the EU Database Directive.<sup>165</sup> More recent proposals eschewed such language, opting instead for the creation of a misappropriation-based tort for “conduct that threatened an actual or potential market for a database,” but which “allow[s] some ‘reasonable uses’ by educational, scientific, and research organizations.”<sup>166</sup> However, the proponents of further database protection failed to garner sufficient support to pass their legislation.

American intellectual property law remains largely in the confines of the pre-information age era; however, “[i]n a constantly changing society . . . the legal system must be continually restructured to reflect larger changes that occur outside the law.”<sup>167</sup> Such is particularly true with intellectual property laws that protect our rapidly advancing technology. Yet, the creation of new intellectual property rights is a congressional action that is rarely undertaken<sup>168</sup> and must be managed with caution.<sup>169</sup>

Congressional authority to enact intellectual property legislation could possibly be derived from either the Intellectual Property Clause<sup>170</sup> or the Commerce Clause<sup>171</sup> of the Constitution. When Congress enacted *sui generis* protection of semiconductor chip design,

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Information Act of 2004, H.R. 3872, 108th Cong. (2004).

<sup>165</sup> Compare Database Investment and Intellectual Property Antipiracy Act of 1996, H.R. 3531, 104th Cong. (1996), with Council Directive 96/9/EC, *supra* note 119 (displaying the similarities between the bill and the EU Database Directive).

<sup>166</sup> COHEN et al., *supra* note 11, at 307; see also Samuel E. Trosow, *Sui Generis Database Legislation: A Critical Analysis*, 7 YALE J.L. & TECH. 534, 606–09 (2005) (providing in-depth analysis of proposed legislation).

<sup>167</sup> Robert W. Kastenmeier & Michael J. Remington, *The Semiconductor Chip Protection Act of 1984: A Swamp of Firm Ground?*, 70 MINN. L. REV. 417, 438 (1985).

<sup>168</sup> The Semiconductor Chip Protection Act of 1984 was the first significant intellectual property right enacted by Congress in almost one hundred years. *Id.* at 419. Compare Trademark Act, Ch. 138, 21 Stat. 502 (1881), with Semiconductor Chip Protection Act of 1984, Pub. L. No. 98-620, 98 Stat. 3347 (codified at 17 U.S.C. §§ 901–914 (2006)) (demonstrating the one hundred year difference between the Trademark Act in 1881 and the Semiconductor Chip Protection Act of 1984).

<sup>169</sup> “Once created, a new intellectual property regime is difficult to do away with, even if the original justification for the intellectual property regime was questionable.” DAVISON, *supra* note 1, at 284.

<sup>170</sup> U.S. CONST. art. I, § 8, cl. 8 (“The Congress shall have Power . . . To promote the Progress of Science and the useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries . . .”).

<sup>171</sup> U.S. CONST. art. I, § 8, cl. 3 (“The Congress shall have Power . . . To regulate Commerce with foreign Nations, and among the several States, and with the Indian tribes . . .”).

it based its authority on the Intellectual Property Clause,<sup>172</sup> and merely used the Commerce Clause as a buttress for overwhelming support.<sup>173</sup> It is important to distinguish that, unlike semiconductor designs protected by the Semiconductor Chip Protection Act, there is no inherent originality of database contents.<sup>174</sup> The Supreme Court has found that originality is a requirement for copyrightability,<sup>175</sup> and novelty is a requirement for patentability under federal law.<sup>176</sup> This decision, along with others holding that the laws of nature, physical phenomena, and abstract ideas are not patentable,<sup>177</sup> suggests that originality is a requirement of all protections granted by Congress under its authority derived from the Intellectual Property Clause. As such, case law suggests that the Intellectual Property Clause cannot be used to establish congressional authority in establishing *sui generis* protection of database contents.<sup>178</sup>

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<sup>172</sup> See *Copyright Protection for Semiconductor Chips: Hearings on H.R. 1028 Before the Subcomm. on Courts, Civil Liberties and the Admin. of Justice of the H. Comm. on the Judiciary*, 98th Cong. 108 (1983) [hereinafter 1983 HOUSE HEARINGS] (statement of Dorothy Schrader, Associate Register of Copyrights for Legal Affairs, Copyright Office).

<sup>173</sup> See 17 U.S.C. §910(a) (2006); see also *The Semiconductor Chip Protection Act of 1983: Hearing on S. 1201 Before the Subcomm. on Patents, Copyrights and Trademarks of the S. Comm. on the Judiciary*, 98th Cong. 91 (1983) (statement of Professor Arthur Miller, professor of law, Harvard Law School) (“[t]he use of two constitutional clauses to protect a copyrighted work is nothing more than using a belt and suspenders to protect that work.”). *But cf.* 1983 HOUSE HEARINGS, *supra* note 172, at 108 (statement of Dorothy Schrader) (“Congress has never enacted a copyright law based on the Interstate Commerce Clause.”).

<sup>174</sup> Compare Council Directive 96/9/EC, *supra* note 119, at pmb1., para. 39 (“[T]his Directive seeks to safeguard . . . the financial and professional investment made in obtaining and collection the contents . . . of a database . . .”), with *Brooktree Corp. v. Advanced Micro Devices, Inc.*, 977 F.2d 1555, 1563 (Fed. Cir. 1992) (“While some copyright principles underlie the [Semiconductor Chip Protection Act] law, as do some attributes of patent law, the Act was uniquely adapted to semiconductor mask works, in order to achieve appropriate protection for *original* designs while meeting competitive needs of industry and serving the public interest.”) (emphasis added).

<sup>175</sup> *Feist Publ’ns Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 347 (1991).

<sup>176</sup> 35 U.S.C. § 102(a) (2006) (A person shall be entitled to a patent unless “the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent.”).

<sup>177</sup> *Parker v. Flook*, 437 U.S. 584, 593 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972); *Funk Bros. Seed Co. v. Kalo Inoculant Co.*, 333 U.S. 127, 130 (1948) (“[M]anifestations of laws of nature, [are] free to all men and reserved exclusively to none . . . .”); *O’Reilly v. Morse*, 56 U.S. 62, 116 (1853); *Le Roy v. Tatham*, 55 U.S. 156, 175 (1852) (“[A] fundamental truth; an original cause; a motive; these cannot be patented, as no one can claim in either of them an exclusive right.”).

<sup>178</sup> See *Feist Publ’ns Inc.*, 499 U.S. at 346–49; *Ry. Labor Executives Ass’n v.*

*continued . . .*

Congress may not directly bypass the limitations placed upon its power by the Intellectual Property Clause<sup>179</sup> by legislating under the broader Commerce Clause grant of power, because the more specific clauses of the Constitution limit those that are more general.<sup>180</sup> However, Congress may have the power to enact *sui generis* protection of database contents under the Commerce Clause “if the statute set[s] forth a scheme of protection qualitatively different from a copyright regime.”<sup>181</sup>

Proponents of such legislation argue that *sui generis* rights can make significant departures from American copyright law in both the duration of protection and, more importantly, the scope of protection.<sup>182</sup> While current copyright protection lasts for the life of the author plus seventy years, or one hundred twenty years from the creation of a work-for-hire,<sup>183</sup> the EU Database Directive grants only a fifteen-year term of exclusivity.<sup>184</sup> The Directive’s potentially unlimited term extensions could lead to the length of *sui generis* protection being more akin to the length of protection afforded under copyright law. However, trademark protection is also granted for a potentially infinite length of time under the Commerce Clause dependent Lanham Act and does not run afoul of the Intellectual Property Clause’s limitations.<sup>185</sup>

More importantly, proponents of establishing *sui generis* database protection argue that that such legislation’s increased scope of

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Gibbons, 455 U.S. 457 (1982); Yochai Benkler, *Constitutional Bounds of Database Protection: The Role of Judicial Review in the Creation and Definition of Private Rights in Information*, 15 BERKELEY TECH. L.J. 535, 600 (2000).

<sup>179</sup> The Supreme Court has described the Intellectual Property clause as “both a grant of power and a limitation.” See *Graham v. John Deere Co.*, 383 U.S. 1, 5–6 (1965) (describing Congress’ authority to grant patents as “limited to the promotion of advances in the ‘useful arts’”).

<sup>180</sup> See *Gibbons*, 455 U.S. at 468–69 (“[I]f we were to hold that Congress had the power to enact nonuniform bankruptcy laws pursuant to the Commerce Clause, we would eradicate from the Constitution a limitation on the power of Congress to enact bankruptcy laws [under the Bankruptcy Clause.]”); see also *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 155–56 (1975) (declaring constitutional bar to perpetual copyright).

<sup>181</sup> Jane C. Ginsburg, *No “Sweat”? Copyright and Other Protection of Works of Information After Feist v. Rural Telephone*, 92 COLUM. L. REV. 338, 370–71 (1992). For example, the Lanham Act was established by congressional authority rooted in the Commerce Clause and provides protection of trademarks, which lack a requirement of originality. See also 15 U.S.C. § 1051 (2006).

<sup>182</sup> Ginsburg, *supra* note 181, at 371–72.

<sup>183</sup> 17 U.S.C. § 302 (2006).

<sup>184</sup> Council Directive 96/9/EC, *supra* note 119, at ch. 3, art. 10, paras. 1–2.

<sup>185</sup> 15 U.S.C. § 1058 (2006 & Supp. IV 2011).



protection would substantively distinguish it from copyright law.<sup>186</sup> Under the EU Database Directive, liability would arise from unauthorized copying of compiled information, regardless of whether or not that information's original selection or arrangement are copied.<sup>187</sup> Proponents argue that "there is no overlap in regulated conduct, [therefore] the two regimes would not clash, and there would be no intra-Article I conflict."<sup>188</sup> However, this argument is refuted because copyright law's failure to protect investment in non-original compilations is "the result of inherent limitations the Court has perceived to be imposed on the copyright power by the constitutional originality standard."<sup>189</sup>

Opponents additionally argue that Congress lacks the power to legislate *sui generis* database protection under the Commerce Clause because, while the Directive's protections may differ in degree from copyright protections, they do not differ in kind.<sup>190</sup> Federal trademark law does not afford protection against copying per se; rather, it protects the public against confusion and deception in the marketplace.<sup>191</sup> In contrast, the Directive is essentially an anti-copying regulation. The *sui generis* rights provided under the Directive "to prevent extraction and/or reutilization"<sup>192</sup> are also provided for under copyright law: the right to prepare derivative works.<sup>193</sup> Therefore, "the general conduct at issue is conduct regulated by copyright, even though the conduct as applied to the subject matter of unoriginal components of compilations is not . . . ."<sup>194</sup> Accordingly, Congress most likely lacks the authority to enact a *sui generis* protection of database contents as exists in the EU Database Directive.

## V. CONCLUSION

Databases are integral to the modern practice of business, science, and law. The original selection of material and the unique arrangement of data can increase the value of a database. But, the most valuable databases are those containing all of the materially relevant information arranged that is familiar to users. These types of databases also deserve protection; while their creation may not require

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<sup>186</sup> Ginsburg, *supra* note 181, at 373.

<sup>187</sup> Council Directive 96/9/EC, *supra* note 119, at ch. 2, art. 5.

<sup>188</sup> Ginsburg, *supra* note 181, at 373.

<sup>189</sup> *Id.*; see also *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 359 (1991) (describing the limitations on copyright protection for compilations).

<sup>190</sup> Ginsburg, *supra* note 181, at 373.

<sup>191</sup> See, e.g., 15 U.S.C. §§ 1114(1), 1125(a) (2006).

<sup>192</sup> Directive 96/9/EC, *supra* note 119 at ch. 3, art. 7, para. 1.

<sup>193</sup> 17 U.S.C. § 106(2) (2006).

<sup>194</sup> Ginsburg, *supra* note 181, at 374.

a creative spark, it does require blood, sweat, and tears, the value of which should be recognized and protected.

It is tempting to support a *sui generis* protection of database contents similar to that set forth in the EU Database Directive. However, the creation of such a *sui generis* protection would be neither constitutional nor just. If such legislation were passed, an incredible amount of factual data would be removed from the public domain and be cradled in the hands of a corporate oligarchy. Already such corporations exist and control access to entire categories of information. This creates the essential question, how do these companies exist without *sui generis* protection?

The current system of dual protections under both copyright and contract law shield the creators of databases from improper appropriation of their work. Copyright shields the original elements of their work against the world. Purchase contracts and licensing agreements shield all elements of their work against misappropriation by all licensees.

Although a few holes and bits of inconsistent pattern no doubt exist in the current patchwork of database protection, the courts often remedy defects resulting in severe inequities on a case-by-case basis. There is no need to create a new *sui generis* protection that detracts the public domain and violates the limit of Congressional power when the current system is not broken and the information industry is thriving.