A brave new world for libraries: the *Sui Generis* Right

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The *Sui Generis* Right

The ways in which databases[1] affect, within a modern information environment, scientific communication, the exchange of ideas among peers, as well as the search and retrieval of information by any potential user through a commercial and financial framework that is still being shaped, has led the European Union the creation of the *sui generis* right (special right), through which it is the first time ever to establish a copyright on information (EU Directive 96/9/EC). What is exceptional about this development, which is a worldwide legal breakthrough, is the fact that this new special right protects databases regardless of the legal framework governing intellectual property. In essence, it constitutes a protection effort through an organised ensemble aiming at safeguarding private investment in databases. Thus, this framework rather than being related to the selection and arrangement of database content, it aims at protecting investors from the parasitic use of said content by competitors and simple users alike (Coslton, 2001).

So, Directive 96/9/EC raises new issues concerning the integration of database protection both in the traditional framework of intellectual property, as well as in the overall law of immaterial goods. It is, therefore, the first time in the very history of immaterial goods that "bare" data and facts (information) are protected from being retrieved and exploited, by a regulation that is characterised by ingenuity, originality, individuality, discreet force, etc. This protection is essentially provided by avoiding the risk of third parties –other than its author- of acquiring and exploiting database material. A key requirement so as to recognise the *sui generis* right for a database author are both the investment's form and nature.

According to the Directive, the right in question pertains to each base in which a "substantial" investment exists[2], regardless of its originality, of whether or not it constitutes an actual intellectual creation of its author, etc. Moreover, it should be noted that the *sui generis* right does not impose any restrictions as to the aim for which the database was created, i.e. it is not required to correspond to an investment's scope, like –for instance- being profitable. As a consequence, the *sui generis* right does not

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[1] The term 'database' includes both electronic and non-electronic ones. Therefore, a database is defined as the collection of independent works, data or other materials which are systematically or methodically arranged and can be individually accessed using electronic or any other means (Directive 96/9/EC).

[2] The investment is a key point of protection: it constitutes (theoretically) a condition for recognising a database author's *sui generis* right. The right in question protects those databases, the obtaining, verification or presentation of the contents of which, require a substantial investment.

fall under unfair competition stipulations, as it is considered an intellectual property right and it thus protects the databases from the moment the latter is created, regardless of its function (e.g. commercial) or the aim (e.g. profit) for which it has been created.

As mentioned before, *sui generis* right protection covers databases for which content obtaining, verification or presentation signify a substantial or quantitative investment (Article 7). However, the quantitative and qualitative criteria that could in fact, even typically, define a "substantial investment", are not mentioned in the Directive, resulting in significant interpretation and application problems, given that "substantiality" is a relative term, that depends on subjective factors. Moreover, investments may have to do with the financial capital, the time allocated by the investor or the database creation effort as a whole. This definitional vagueness in the section in question is subject to interpretation and may, ultimately, be considered similar to the one pertaining to "sweat of the brow" right for the beneficiary of a database.

The Directive also provides for certain restrictions of the *sui generis* right. The lawful user of a database (a CD-ROM buyer, or a subscriber in the case of an on-line connection) may, without prior permission by or payment to the author, extract or reutilise for any reason whatsoever ”insubstantial” parts of the database content, while any contrary contractual provision between the user and the owner is considered null and void. It is a minimum right of the lawful user to be able to use in their personal computer insubstantial parts of the database content, as well as the accompanying software. It is, therefore, reasonable to assume that even those who do not have any legal rights on the database, for instance as a result of a use concession contract or purchase, to be able to extract and reutilise insubstantial parts of the database content. However, banning the systematic and repeated extraction of insubstantial parts of the database content, which damages the author's rights or conflicts with the proper exploitation of the database, would mean that users such as scientists, librarians or journalists –to name but a few- whose work makes it imperative that they access database information, may have problems legalising the extraction and reutilisation of database content.

Extraction and/or reutilisation of ”insubstantial” parts of the database content is prohibited, when such actions are being repeated and assume a systematic character, resulting in conflict with normal exploitation of the database or unreasonable prejudice of the legitimate interests of the maker of the database (Article 8, paragraph 2). The issue with the provision in question is that the reference to temporary extraction also means that even temporary digital copies constitute an unauthorised extraction and, therefore, simply reading on a personal computer monitor a substantial part of the database constitutes temporary extraction and can be hence forbidden.

As in the case of "substantial investment", where the lack of term definition creates interpretation problems, there are no guidelines explaining the notion of the "substantial" part of a database. Moreover, the substantial or insubstantial character of the extraction/reutilisation[3] may be judged either quantitatively or qualitatively, an option that, in all likelihood, protects the database owner rather than the user. According to

[3] 'Reutilisation' is defined as any form of making available to the public all or a substantial part of the contents of a database by the distribution of copies, by renting, by on-line or other forms of transmission. The database author's right to reutilisation corresponds to the creator's right to distribution, according to copyright law.

Article 7, paragraph 2, public lending does not constitute an act of extraction or reutilisation and, as a consequence, a library allowing the public to access the database, over a limited period of time and provided that no financial or commercial gain is pursued by said use licence, is free to do so. Article 9 of the same European Commission Directive does not include some of the users' rights on authors' works which are, by now, recognised and established by other provisions, like –for instance- the possibility to cite passages, the compulsory exception in cases of teaching and scientific research, as well as reproduction by archives and libraries. It is possible that the authors of the Directive in question considered that all relevant rights can be well-protected by the provision regarding the free extraction and reproduction of part of the database which is considered insubstantial.

To the aforementioned data, one should add that Article 9 paragraph 1 of the Directive stipulates that it is prohibited to reproduce a digital database for private use, with the exception of the right of Member States to limit the *sui generis* right of the author of a digital or other database, provided that the extraction is carried out within the framework of an administrative or judicial procedure or for the purposes of illustration for teaching or scientific research. It is only in the case of this exception, within the framework of an administrative or judicial procedure that the extraction and reutilisation of data is allowed. On the contrary, should the exception to be established by the Member State be related to education or research, only the extraction of data is allowed and not its reutilisation, while Member States should ensure that the source of the data in question is appropriately cited. A further limitation in the use of a database is the fact that the aim of said extraction must be non-commercial and that said extraction does not exceed a certain degree that justifies meeting its non-commercial aim. However, since it is of vital importance to scientists not only to extract data and information from a database, but also to be able to process and reutilise them (i.e. to be entitled to publish and share said data with the scientific community), this particular exception is –in essence- an additional restriction imposed on the use of a database.

The *sui generis* right of a database author shall expire fifteen years from the first of January of the year following the date of completion, while this deadline is to be renewed following any amendment of, addition to, deletion from the database, etc. It goes without saying that this is totally contrary to what was in force until today, as even the intellectual property rights of original works have an expiration date. Although it is commercially, scientifically and even socially effective and necessary to renew the content of a database, this, however, gives its author the right to claim that he/she is constantly renewing the database content in question, and, as a result, to constantly maintain said content under protection. As a final point, the result of an incessant protection is that the database content will never come to the public's full and unrestricted possession, even if the data and the information contained therein remain available for over fifteen years. In essence, this problem is created because there was never any provision for compulsory database use licenses, resulting in running the risk of allowing the creation of monopolies in information production, retrieval and utilisation.

Reactions by the academic community and libraries

A typical research requires availability and use of a relatively large amount of information, while in certain cases of specific and specialised research, it is imperative to use systematically numerous databases (like, for instance, in the case of a research

focusing on global warming). Should databases that are currently freely available to the public, be placed under the protection of the *sui generis* right, then, inevitably, the cost of such a typical research would definitely rise. Moreover, the very culture governing Scientific Communication is possibly also going to change, given that the process of ideas exchange and common use of data among institutions will be modified, as the institutions themselves will start considering their databases as commercially exploitable sources of income. Of course, such a development would not leave the business world and state services unaffected, since it is highly likely that the ensuing developments –i.e. the increase in research cost- will affect both the current and future potential of carrying out research that will include the greatest amount possible of available information, while at the same time making it available to a wide group of interested parties. Aiming at preventing and dealing with such an eventuality, many associations of scientists, professionals and teachers, like, for example the National Research Council, the National Academy of Sciences, the National Academy of Medicine and the National Academy of Engineering, are strongly opposing the *sui generis* right as well as the protection that it enforces in favour of database authors-owners. Similar reactions have also been noted on behalf of many library associations against HR 3531 and its pertinent provisions regarding databases (Band and Gowdy, 1997).

The establishment of the *sui generis* right has caused intense reactions both in the American academic community and the database authors themselves. More precisely, the academic community on the one hand opposes the *sui generis* right, claiming that it is bound to have catastrophic repercussions on research and scientific development, as a result of the expected long-term information monopoly; database authors, on the other hand, are trying to achieve their fullest possible protection (through an absolute and exclusive right) so as to safeguard their investment. Although the *sui* generis right has led to the creation of two bills in the America on the legal protection of databases, it is worth mentioning that such a right has not as yet been established by law in the United States, a country in which intellectual creation investments are protected *par* excellence and where the database market is flourishing.

IFLA and *sui generis* right

Particularly as pertains to libraries and their position regarding the *sui generis* right, the International Federation of Library Associations and Institutions (IFLA) is attempting –by constantly intervening- to contribute to the creation of a protection framework which, however, will not limit the utilisation conditions of data and information contained in databases, aiming –of course- at a more substantial and effective use of individual library policies. What seems to interest the IFLA the most, as well as other associations that are generally aiming at safeguarding the public's access capability to information through databases, are the serious repercussions that science, education, research and innovation are likely to suffer, should provisions such as those stipulated by the *sui generis* right ultimately prevail, constituting the legal form of database protection at a global level.

It is equally possible that any debate regarding the establishment of new provisions having to do with database legal protection, will be coming from those who have the most to gain from a readjustment of the existing legislation. Consequently, one may actually go as far as to assume that there is an effort to create an artificial need, the world over, to renegotiate the regime governing database protection, with the aim –of course- for database authors/manufacturers to make an even bigger profit.

The IFLA, through committees created *ad hoc* (such as the Standing Committee on Copyright and Related Rights), raises additional issues that need to be taken into serious consideration, in case there is indeed a change in the provisions regarding the access and utilisation of databases. So, they consider most significant the language in which any such provision will be expressed, as well as the fact that any terms used therein, must be carefully selected so as not to over-protect databases through these new provision. In that sense, terms such as "substantial part", "insubstantial part" and "substantial investment", should acquire a very carefully chosen meaning so as to ensure that they will not give rise to different interpretations when the pertinent provisions are applied on a nation-wide level.

In this effort to create a unified front that will deal with issues of copyright of the works contained in databases, it is of the utmost importance not to require a contract between the two transacting parties on the basis of the *sui generis* right, when there is already legislation in force that provides a corresponding protection to databases. All this, of course, must be in relation to the new standards and models, whenever these may be defined by international organisations and pertinent meetings of experts.

Quite recently, the IFLA responded to the European Commission's Green Paper on Copyright in the Knowledge Economy (COM (2008) 466/3). The main points of its views concerning the rights of authors as well as overall issues concerning database protection may be summarised as follows:

- Authors' rights constitute one of the main pylons for the creation of a regime governing intellectual property rights. However, restrictions and exceptions related to these rights are equally important. The constant changes in the law on copyright are what created the current imbalance between creator rights and user rights, as they have upgraded authors' rights without adequately providing for restrictions and limitations applicable to said rights.
- Authors' rights have been enhanced both in terms of duration and when supported by technical means (as is often the case in digital environments), which means that they are applicable without any significant exceptions. Technical means may not only limit or even eliminate legal exceptions to utilisation but they are in themselves virtually "impervious" to any legal application.
- Contrary to what happened in the case of the Database Directive (Directive 96/9/EC), in the Information Society Directive (Directive 2001/29/EC) there is no provision to amend the contract so as to protect the users. Suppliers' contracts, in case they opt for them to be non-negotiable, and since intellectual property rights constitute –in essence- exclusive rights, may indeed create a monopoly.
- User licence negotiation for compensation in cases of legal exception should not be undertaken by the interested parties, i.e. libraries. It is best avoided, as the "power" of the contracting parties is unequal, as a result of the additional power offered to the copyright owner by the law. A typical example thereof are the various international publishers of scientific journals and books, who – in essence- may indicate to libraries the way in which these documents shall be used in their collections. As a matter of fact, more often than not, such terms in utilisation contracts prevail over any potential legal stipulations providing for utilisation exceptions, e.g. work reproduction for personal use.

- The monopoly power in the hands of those who hold intellectual property rights is a relatively recent development. Back in the days of printed information and document distribution it was –to all intents and purposes- impossible for a publisher to control and/or prevent the creation of copies. However, this has changed in the digital world, as copyright owners have digital document supply contracts that allow them to deny a user's rights to utilisation exceptions. In order to avoid such an exploitation of the monopoly use of intellectual property rights, there must be an overall provision by the legislation governing copyrights, which shall not allow the imposition of terms contrary to the right to exceptions in the utilisation and limitation of intellectual property rights. For instance, Article 15 of the Database Directive, stipulates that it is mainly the legislator's responsibility to provide exceptions in the utilisation and restrictions in the rights of authors and other owners of copyrights, aiming at ensuring that the needs of society in relation to research, science and education are adequately met.
- The IFLA also proposes that the Directive 96/9/EC exception pertaining to the legal protection of databases and their use by people with disabilities, as amended by 2001/29/EC Article 5.3.b, must be mandatory and applicable both for original databases and those protected by the *sui generis* right.
- Finally, as regards the exchange and distribution of works for teaching and research reasons, perhaps it would be advisable to re-examine the decision of the scientific and academic community to participate in schemes aimed at negotiating licences with publishers. Academic institution libraries have been among the key participants of such schemes, aiming at safeguarding their users' access to information. However, research –just like higher education teaching and learning- becomes increasingly international and local negotiation schemes may prove ineffective in this new environment. It is, therefore, significant for intellectual property rights exceptions to include this new environment in question, as well as all new teaching and research methods. In the large majority of cases –with the exception, of course, of the digital documents supply itself- user licenses should be made obsolete. The Information Society Directive Article 5 (3) (a), must be considered adequate, provided it stipulates exceptions "for the exclusive aim of educational or scientific research purposes...".

The IFLA response to the European Union proposal was governed by two essential principles:

- Fundamental rights of expression and information retrieval
- Internal market efficient operation

These two principles are elemental in the effort to acquire the largest possible benefits from the economy of knowledge. A successful intellectual rights regime must, of course, take into consideration authors' rights, but it must also facilitate accordingly other considerable participants in the procedure, like for instance secondary creators, educators, and researchers, all of whom are basing themselves on copyright exceptions in order to create their own intellectual works[4].

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[4] International Federation of Library Associations and Institutions: Response from IFLA to the European Commission's Green Paper 'Copyright in the Knowledge Economy' [COM (2008), 466/3] http://209.85.129.132/custom?q=cache:GS1R0XlkdnEJ:www.ifla.org/III/clm/p1/IFLA_Response_Green-paper-copyright.pdf+sui+generis&cd=7&hl=en&ct=clnk.

ALA and *sui generis* right

In 2006, the American Library Association (ALA) responded to European Union policy on the *sui generis* right and, more particularly, voiced its concerns regarding the 1996 EU Database Directive (96/9/EC), in an attempt to convince the EU to withdraw all pertinent provisions. So, according to the Resolution in opposition to *sui generis* database protection (CD #20.6, January 25, 2006) ALA urges the European Commission either to repeal its Database Directive or to withdraw the *sui generis* right while maintaining copyright protection for "original" databases. In the same resolution it is stated that the European Commission itself, in December 2005 concluded, among other things, that:

- There is no evidence that the Database Directive has achieved its goal of stimulating the production of databases in Europe;
- The *sui generis* right for database protection has given rise to legal uncertainty and to significant litigation in European courts and the courts of its Member States;
- The *sui generis* right for database protection may harm legitimate business, research and education activities and threaten the fair use of information, including information in the public domain.

According to the ALA[5], the *sui generis right* gave a new, unprecedented opportunity for database protection, even if they are not sufficiently original to be copyrighted. It also stresses that many databases, which consist of individual pieces of information that have been organised in a single collection so that the data are easier to access – are protected under copyright law because of the creative way that the information in them is selected, coordinated and arranged. However, under traditional copyright law, basic factual information is in the public domain and is not entitled to copyright protection. That means that databases that do not have a creative or original element – such as phone book white pages – are not protected under US copyright law.

In the years that passed since the European Commission issued the Database Directive, large database producers and publishing houses have attempted to persuade the US Congress to pass a similar law of database protection. In response to these efforts, the American libraries have been among the first organisations to react and fight against all attempts to change the legal framework concerning database protection. Such protection would reverse the fundamental US information policy that facts are not creative in nature and, therefore, cannot be owned. ALA continues to insist that any database protection bill must allow "fair use" of databases comparable to that under copyright law and permit downstream, transformative use of facts and government-produced data contained in a database[6].

Conclusions

[5] American Library Association: Resolution in opposition to "sui generis" database protection. Available at: www.ala.org/ala/aboutala/offices/wo/ referenceab/colresolutions/012506-CD20.6.pdf.

[6] American Library Association: Database protection legislation. Available at: http://www.ala.org/ala/aboutala/offices/wo/woissues/copyrightb/federallegislation/dbprotection/databaseprotection.cfm.

Exclusive rights in information constitute an offence to fundamental constitutional freedoms; restrict people's information environment; impede the function of democratic institutions; and ultimately block the very creation of future databases. If there is indeed a need for a provision of some sort, which would protect authors' rights (which, incidentally, are not really harmed, as proven by the flourishing database market in the US and the rest of the world), it should under no circumstances grant exclusive rights to authors (Benkler, 2000). Similarly, scientists, researchers and educators should be allowed to use database in the same manner they have been using all collections of works until today. When there is overprotection of the data contained in databases, as in the case of the *sui generis* right that suppresses the three main components of intellectual property (originality, finite duration and exceptions for scientific research and teaching), then the additional protection in question is reduced to a disproportionate restriction of the freedom of expression (Torremans, 2004).

In essence, what the *sui generis* right does is to create obstacles for people's research, educational and scientific activity. Instead of that –and, naturally, any other similar effort whose sole aim would be to increase database protection and, as a result, increase database owners' rights to the detriment of users' rights-, there should be a collective effort aimed at establishing a "balanced copyright". Creators and intermediaries should benefit from their works, keeping in mind that those who buy and use creations also have rights. Balanced copyright cites the Constitution in granting limited terms for the copyright monopoly – perhaps the 14 or 28 years that sufficed in the United States for most of our history, maybe a longer plausible limit. At some point, works should enter the public domain to encourage the progress of science and the useful arts. Balanced copyright means people and institutions should be able to use their purchased copies of mass-produced works pretty much as they please: copying for personal use or preservation, lending to others, excerpting for use within other works. We should be able to copy text and images from e-journals and books to use in reports and new creations. And libraries should be able to preserve born-digital materials, which frequently mean bypassing copy protection and digital-rights management (Crawford, 2007).

Even further efforts are in order so as to re-establish a balance in copyrights, like in the case of the Digital Media Consumers' Rights Act, which would allow copy-protection circumvention for fair use or research purposes and the Public Domain Enhancement Act, which would make it easier to find rights holders for older materials. However, what we should always keep in mind is that libraries need intellectual property rights, and by that I mean intellectual property rights that guarantee equal rights for database creators, owners and users; otherwise, their capacity to preserve documents and lend them is gravely jeopardised.

No business or organisation can afford to ignore the issue of *sui generis* database protection. Depending on where a company falls in the data food chain -- and almost every business is somewhere in the food chain -- *sui generis* protection will either add to the bottom line or take away from it. Accordingly, companies would be well advised to study last year's HR 3531, and new legislation if introduced, so that they can determine their position on this controversial issue and act to support or oppose it.
While it is still unclear whether the Courts will revert to granting copyright protection under a "sweat of the brow" standard, it is certain that the frequency of these cases is on the increase. As unusual compilations of mundane information become more valuable to marketing firms and consumers alike in this information age, what was "origi-

nal" a decade ago has become essential today. Regardless of the direction the courts and legislature choose, until the decision is clearly codified, the information economy is wise to combine innovation with caution, spending as many resources protecting their creations personally as they spend developing them.

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