

THE NEW DATABASE RIGHT: EARLY CASE LAW FROM EUROPE

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1. Introduction

More than five years have passed since the European Database Directive was adopted on 11 March 1996.¹ The Directive created a unique two-tier protection scheme of electronic and non-electronic databases. Member States are required to protect databases by copyright as intellectual creations, and by introducing a right *sui generis* to prevent unauthorised extraction or reutilization of the contents of a database, the so-called 'database right'.

The deadline for implementation of the Directive has expired on 1 January 1998. Only Germany, Sweden, the United Kingdom and Austria have met this deadline.² Most Member States have completed the transposition process between 1998 and 2000.³

Since the Directive has become integrated into national intellectual property law in Europe, national courts have handed down a host of interesting decisions. This paper comprises a summary of early case law, focusing on the new database right. By way of introduction and background, the key concepts of the Directive in so far as they relate to the database right will be introduced.⁴

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¹ Directive 96/9/EC of the European Parliament and of the Council of 11 March 1996 on the legal protection of databases, Official Journal No. L 77 of 27 March 1996, p. 20.

² See P.B. Hugenholtz, 'Implementing the Database Directive', in: Jan J.C. Kabel and Gerard J.H.M. Mom (eds.), *Intellectual Property and Information Law - Essays in Honour of Herman Cohen Jehoram*, The Hague/Londen/Boston, p. 183.

³ The European Commission has decided on 30 July 1999 to refer Greece, Ireland, Luxembourg and Portugal to the European Court of Justice for failure to implement the Directive. The case against Ireland has continued and led to a declaration of infringement by the European Court of Justice on 11 January 2001, Case C-370/99.

⁴ For extensive commentary see J. Gaster, *Der Rechtsschutz von Datenbanken. Kommentar zur Richtlinie 96/9/EG*, Cologne: Carl Heymanns 1999.

2. The Database Right: Key Concepts

Notion of 'database'

The Directive 'concerns the legal protection of databases in any form' (Article 1 § 1). Unlike the original proposal, the Directive protects not only electronic databases, but also databases in 'paper' form, such as telephone directories, and hybrid databases using microfilm. Article 1 § 2 defines the Directive's object of protection as 'a collection of independent works, data or other materials arranged in a systematic or methodical way and individually accessible by electronic or other means.' Thus, a 'database' is more than a mere collection of simple data. A collection of works of authorship, such as an anthology, encyclopaedia or multimedia CD, may also qualify as such. A database may even consist of other 'materials', i.e. subject matter that is neither work nor data, such as sound recordings, non-original photographs, and other products protected by neighbouring rights. The Explanatory Memorandum describes the contents of the database as '“information” in the widest sense of that term.'⁵

The individual elements comprising a database must be 'independent' and 'individually accessible by electronic or other means'. A collection of moving images together constituting a movie (film) is not a 'database'. Recital 17 expressly excludes 'a recording or an audio-visual, cinematographic, literary or musical work as such'. Moreover, the individual elements of the database must be 'arranged in a systematic or methodical way'. However, according to Recital 21, 'it is not necessary for those materials to have been physically stored in an organised manner'. It follows that a collection of unorganised data fixed on a hard disk or other digital medium would qualify as a database if combined with database management software enabling retrieval of the data. Conversely, a diskette with neatly arranged data, but without a searching algorithm, does not constitute a database.

According to Recital 20, the protection granted under the Directive also applies to 'the materials necessary for the operation or consultation of certain databases such as thesaurus and indexation systems'. The Directive does not, however, protect the computer software driving the database as such (Article 1 § 3). Computer programs are protected independently by the European Software Directive of 1991.⁶

Subject matter of database right

The database right protects the 'sweat of the brow' of the database producer, i.e. the skill, energy and money invested in the database. This investment must be 'substantial'. Unfortunately, the Directive offers little guidance as to the minimal amount of investment required. The investment protected may be either 'qualitative' or 'quantitative'. A qualitative investment would, for instance, result from employing the expertise of a professional, e.g. a lexicographer selecting the key words for a dictionary. In practice, most databases will

⁵ Explanatory Memorandum, p. 19.

⁶ Council Directive 91/250 on the legal protection of computer programs, OJ L 122/42 of 17 May 1991.

probably result from a quantitative investment, involving ‘the deployment of financial resources and/or the expanding of time, effort and energy’.⁷

According to Article 7 § 1, the substantial investment is to be made ‘in either the obtaining, verification or presentation of the contents’ of the database. The ‘obtaining’ obviously refers to the collection of data, works or other materials comprising the database. ‘Verification’ relates to the checking, correcting and updating of data already existing in the database. ‘Presentation’ involves the retrieval and communication of the compiled data, such as the digitalisation of analogue files, the creation of a thesaurus or the design of a user interface.

The Directive defines the owner of the database right as the ‘maker of a database’ (Article 7 § 1). Pursuant to Recital 41, the ‘maker of a database is the person who takes the initiative and the risk of investing’; subcontractors are excluded from the definition.

Scope of database right

The database right is defined in Article 7 § 1 as a right ‘to prevent extraction and/or reutilization of the whole or of a substantial part, evaluated qualitatively and/or quantitatively, of the contents of that database.’ Extraction is defined as ‘the permanent or temporary transfer of all or a substantial part of the contents of a database to another medium by any means or in any form’. The right pertains to the downloading, copying, printing, or any other reproduction in whatever (permanent or temporary) form.

Reutilization 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.’ Again, the Directive fails to define ‘substantial’; according to the Explanatory Memorandum ‘no fixed limits can be placed in this Directive as to the volume of material which can be used.’⁸

Extraction and reutilization of insubstantial parts are permitted, unless such acts are committed in a ‘repeated and systematic’ manner and ‘conflict with a normal exploitation of that database or [...] unreasonably prejudice the legitimate interests of the maker of the database’ (Article 7 § 5). Thus, incidental browsing and piecemeal copying from databases, even by unauthorised users, appear to be lawful.

Exemptions

The Directive allows for only limited statutory exemptions in respect of the database right. Article 9 leaves no room for many traditional limitations, such as journalistic freedoms, quotation rights, library privileges or reuse of government information. Apparently, the users’ freedom to extract and reutilize insubstantial parts of the database was considered, by the European legislature, to be sufficient.

⁷ Recital 40.

⁸ Explanatory Memorandum, p. 52.

Duration of database right

The term of the database right is 15 years from the date of completion of the making of the database (Article 10 § 1), or if later, the first making available to the public (Article 10 § 2). In practice, most databases will probably be protected for a longer period. According to Article 10 § 3, ‘any substantial change, evaluated qualitatively or quantitatively, to the contents of the database, including any substantial change resulting from the accumulation of successive additions, deletions or alterations, which would result in the database being considered to be a substantial new investment, evaluated qualitatively or quantitatively, shall qualify the database resulting from that investment for its own terms of protection’. Thus, a regularly updated database is awarded semi-permanent protection. According to Recital 55, even a mere ‘substantial verification of the contents of the database’ would be enough to trigger a new term of protection.

Beneficiaries of protection

According to Article 11 of the Directive only nationals of a Member State or Community citizens will qualify for protection under the database right. Also, companies and firms formed in accordance with the law of a Member State and having their registered office, central administration or principal place of business within the Community, will qualify (Article 11 § 2). The Council of the European Union may extend protection to nationals or residents of third countries on the basis of special agreements (Article 11 § 3). Surely, material reciprocity will be required for any such agreement to come into existence.

3. Case law from Europe

Since the adoption and subsequent implementation of the Database Directive at least 25 court decisions dealing with the new database right have been reported, mostly from courts in Germany, the Netherlands and France.⁹ Not surprisingly, in view of its *sui generis* character of the new right and the European lawmaker’s failure to provide clear-cut definitions, courts have been struggling with the application of various key concepts, such as the notion of ‘database’, the ‘substantiality’ of the investment required, the status of database ‘maker’, et cetera. As the following summary of case law from Europe will demonstrate, many of these concepts will require further interpretation and refinement by the higher-level courts. Eventually, if and when called upon by the national courts, the final word on these and other notions derived from the Database Directive will have to come from the European Court of Justice. In the mean time, the new *sui generis* right remains, at best, a right *in statu nascendi*.

Belgium

⁹ For a first stock-taking see J. Gaster, ‘The EC *sui generis* right revisited after two years: a review of the practice of database protection in the EU Member States’, [2000] 5 Communications Law 87.

On 16 July 1998 the Belgian legislature enacted a law transposing the Directive into Belgian law.¹⁰ The copyright provisions are amendments to the Belgian Copyright Act of 30 June 1994. The Act creates a separate law dealing with the sui generis right and its exemptions. So far, only a single court decision on the database right has been reported.

UNMS v. Belpharma Communication – Court of Brussels 16 March 1999¹¹

This first Belgian case dealing with the database right concerned the unauthorised extraction and re-utilisation of a pamphlet with information on ‘self-help’ groups intended for the French speaking community. Defendants had published their own (national) list of self-help groups, thereby copying plaintiff’s pamphlet including even the mistakes. After confirming that the list constituted a database, the judge ruled that plaintiff was the maker of the (non-electronic) database. Defendant was ordered to cease infringing activities.

France

In France the sui generis right is laid down in a Title IV of Book III of the French Code de la Propriété Intellectuelle (CPI), as amended on 1 July 1998.¹² Several cases dealing with database right have been reported.

Dictionnaire Permanent des Conventions Collectives – Tribunal de grande instance de Lyon 28 December 1998¹³

Possibly the first French decision decided after implementation concerned the ‘Dictionnaire Permanent des Conventions Collectives’, a compilation of some 400 collective bargaining agreements which had been previously published in official journals. According to the Lyon Court, the ‘Dictionnaire’, because of its original presentation and the grouping under headings, constituted a copyright protected database. However, since defendant had simply reproduced the contents of the agreements, and not copied any original elements from the ‘Dictionnaire’ for its competing publication, no copyright infringement was found. By contrast, the defendant’s parasitic behaviour was deemed unfair competition, the ‘Dictionnaire’ representing years of substantial investment. Surprisingly, the new database right was not directly applied.

Électre v. T.I. Communication and Maxotex – Tribunal de commerce de Paris 7 May 1999¹⁴

The case concerned the unlicensed use on a web site of a CD-ROM comprising bibliographic information on works published in France. As a subscriber to the CD-ROM plaintiff T.I. Communications had agreed to

¹⁰ Act of 16 July 1998, effective 1 September 1998.

¹¹ *UNMS v. Belpharma Communication*, Court of Brussels 16 March 1999, [1999] *Auteurs & Media* 370.

¹² Act no. 98-536 of 1 July 1998, J.O.R.F. of 2 July 1998, p. 10075, effective 1 July 1998.

¹³ *Dictionnaire Permanent des Conventions Collectives*, Tribunal de grande instance de Lyon 28 December 1998 [1999] 181 *RIDA* 325.

¹⁴ *Électre v. T.I. Communication et Maxotex*, Tribunal de commerce de Paris 7 May 1999, <http://www.juriscom.net/txt/jurisfr/da/tcparis19990507.htm>.

conditions of use prohibiting the dissemination of the CD-ROM's contents; the Court, therefore, found no need to apply the database right. Internet service provider Maxotex was found not to infringe plaintiff's database right; according to the Court, hosting an illegitimate web site does not amount to extraction or reutilization. By promptly closing the infringing site upon receiving notice, Maxotex had avoided liability.

France Télécom v. MA Editions – Tribunal de commerce de Paris 18 June 1999¹⁵

France Télécom offered an electronic directory accessible through France's still popular Minitel service. Defendants had copied subscriber data without authorisation, and made the data available online via Minitel and the Internet. The Paris Court first declared that telephone directories in whatever form are databases within the meaning of the law. A substantial investment was found in the costs of collecting, verifying and maintaining the data. Defendants were found guilty of 'pure and simple piracy', particularly because they had not actively sought a licence from plaintiff. In fact, plaintiff had demonstrated its willingness to negotiate a license for a reasonable fee, and in doing so had not displayed anti-competitive behaviour.

Groupe Moniteur and others v. Observatoire des Marchés Publics – Cour d'appel de Paris 18 June 1999¹⁶

This case concerned the unauthorised copying and distribution of advertised calls for tender in the field of public procurement which were published in a specialised journal. Defendant had extracted calls for tender from the monitor and other magazines, and compiled a document delivery order form which it distributed to its clients. Plaintiff claimed infringement of its copyrights and database rights, as well as unfair competition. Copyright protection was rejected for lack of originality. However, defendant's actions were considered to be of a parasitic nature, and therefore constituted unfair competition. Database rights were not granted. The compilation of calls for tender did constitute a database in a legal sense, but plaintiffs, by simply reproducing the calls it received from its advertisers, had not substantially invested in its making.

Germany

The German legislature was the first to implement the Database Directive. The Information and Communication Services Act¹⁷ (also known as the Multimedia Act), which was adopted on 1 August 1997, contains a special section (Article 7) which transposes the Directive into the German Copyright Act. Already, more than a dozen database right cases have been decided by the national courts, the most interesting of which will be discussed below.

¹⁵ *France Télécom v. MA Editions*, Tribunal de commerce de Paris 18 June 1999, [1999] Droit de l'informatique & des télécoms 57, [1999] Multimedia und Recht 568.

¹⁶ *Groupe Moniteur and others v. Observatoire des Marchés Publics*, Cour d'appel de Paris 18 June 1999, [2000] 183 RIDA 316.

¹⁷ English translation available at: <http://www.iid.de/rahmen/>.

Berlin Online – Landgericht Berlin 8 October 1998¹⁸

The on-line database Berlin Online, which contained classified ads from the Berliner Zeitung newspaper, was systematically searched by a ‘meta search engine’, that automatically e-mailed search results to users. The Berlin Court ruled that the conversion into digital form and the selecting, updating and verifying of the ads constituted a substantial investment under §87a (1) (1) of the German Copyright Act. The use of the search engine was held to amount to repeated and systematic extraction of insubstantial parts of the database that unreasonably damaged the lawful interests of the owner of the database right. The web site owner was deemed to have suffered damages because the search engine systematically bypassed the advertisements on the Berlin Online site.

Süddeutsche Zeitung – Landgericht Köln 2 December 1998¹⁹

The facts of this case are similar to the Berlin Online case summarised above. Plaintiff’s on-line database contained (small) advertisements for real estate objects, which were previously published in the Süddeutsche Zeitung newspaper. The database was routinely searched by a dedicated search engine, which returned the ads in full-text to the users with mention of the name and date of the newspaper. The Court considered the collection of advertisements to be a protected database, and remarked that the processing and maintaining of the real estate ads constituted a substantial investment. The use of the search engine amounted to repeated and systematic reutilization of insubstantial parts of the database that unreasonably damaged the lawful interests of the owner of the database right. Again, the Court found that plaintiff had suffered damages because the advertisements on the originating web site were systematically bypassed.

Tele-Info-CD – Bundesgerichtshof (Federal Supreme Court) 6 May 1999²⁰

Possibly the first database right case to be decided by a highest-level national court in Europe, the *Tele-Info-CD* decision was a case of telephone directory piracy. Defendants had scanned subscriber data from the directories of Deutsche Telekom (the former German PTT) and published the ensuing database on a CD-ROM. The German Federal Supreme Court (Bundesgerichtshof) ruled that telephone directories are not copyright works. However, telephone directories, both electronic and non-electronic ones, do qualify as protected databases because of the substantial investment involved in their production. The scanning of subscriber data was deemed infringing on the rights of Deutsche Telekom. After privatisation of the company such databases do not constitute public works which might be exempted from protection. In addition, the Supreme Court ruled that the behaviour of defendants amounted to unfair competition.

baumarkt.de – Oberlandesgericht (Court of Appeal) Düsseldorf 29 June 1999²¹

¹⁸ *Berlin.Online*, Landgericht Berlin 8 October 1998, [1999] Computer und Recht 388, critical comment J. Obermüller at 594.

¹⁹ *Süddeutsche Zeitung*, Landgericht Köln 2 December 1998, [1999] Computer und Recht 593, critical comment J. Obermüller at 594.

²⁰ *Tele-Info-CD*, Bundesgerichtshof (Federal Supreme Court) 6 May 1999, [1999] Multimedia und Recht 470, note J. Gaster at 543; [1999] Computer und Recht 496. Three similar cases were decided by the Bundesgerichtshof on the same day.

Plaintiff operated a website containing advertisements and information on building construction and ‘do-it-yourself’ products. Defendant operated a search engine which linked to plaintiff’s web site, and used frames to display its contents. The Court of Appeal accepted that a web site, being a collection of web pages, can qualify as a database subject to database right. However, plaintiff had failed to show substantial investment in the construction, maintenance or display of the data. Moreover, since the advertisements were published on the web site on commission, the plaintiff was held not to be the entity bearing the commercial risk, therefore could not be considered the database maker.

Kidnet/Babynet – Landgericht Köln 25 August 1999²²

The case concerned the (electronic) copying of defendant’s web site which contained a catalogue of 251 alphabetically ordered links to sites on parenting-related subjects. The catalogue of links was deemed a protected database. The required substantial investment was found in the compiling, researching and up-dating of the list by plaintiff. Considering the fact that 239 of the 251 links were identical to the extent that they contained the same grammatical errors, the Court of Cologne ruled that the copying was an unauthorised extraction and re-utilisation.

MIDI-Files – Landgericht München I 30 March 2000²³

The case concerned the liability of an internet service provider for making infringing MIDI (music) files available online. The Munich Court held that the MIDI files did not constitute a database within the meaning of the German Copyright Act; a random collection of independent data cannot be considered as such.

C. Net – Kammergericht (Court of Appeal) Berlin 9 June 2000²⁴

Plaintiff operated a database providing pricing and venue information on major entertainment events to event organisers and ticket sales vendors. According to the Court, the database constituted a database within the meaning of § 87a of the German Copyright Act. The data were held to be systematically ordered, because they appeared to the users in an organised fashion, even if the data were not physically ordered (i.e. on the digital media). Although the software development and technical operation of the database were carried out under commission by a data processing company, plaintiff qualified as ‘maker’ of the database because of the substantial fees paid to the commissioned party. However, the extraction from the database of data relating to a single event did not amount to infringement of the database right; no proof of repeated and systematic extraction of insubstantial parts was found. Since no database right infringement had occurred, no supplementary protection on the basis of unfair competition rules (misappropriation) was granted.

²¹ *baumarkt.de*, Oberlandesgericht Düsseldorf 29 June 1999, [1999] *Multimedia und Recht* 729, note J. Jaster at 733; [2000] *Computer und Recht* 184.

²² *Kidnet/Babynet*, Landgericht Köln 25 August 1999, [2000] *Computer und Recht* 400.

²³ *MIDI-Files*, Landgericht München I 30 March 2000, [2000] *Computer und Recht* 389, note M. Lehmann at 392.

²⁴ Kammergericht (Court of Appeal) Berlin 9 June 2000, [2001] *ZUM* 70.

Medizinisches Lexicon – Landgericht Hamburg 12 July 2000

This case concerned an on-line database offering a medical lexicon which was also available in book form and on CD-ROM. Plaintiff objected to the linking to the database and subsequent displaying in so-called frames by defendant. The lexicon was held to be a database protected by copyright. The individual creative effort was found in the structure of the database, particularly in the user-friendly system of information retrieval. The linking and framing were held to constitute acts of reproduction not (implicitly) authorised by plaintiff.

The Netherlands

In The Netherlands the Database Directive was transposed on 8 July 1999.²⁵ The Dutch legislature has elected to implement the Directive in two different legal instruments, the existing Copyright Act and a new Database Act, that introduces the database right. The new Act, already controversial prior to enactment, has generated more than a host of interesting decisions.

Vermande v. Bojkovski – President District Court The Hague 20 March 1998²⁶

The Vermande/Bojkovski case, which was decided prior to implementation, concerned the unauthorised publication on a web site of laws and regulations copied from a commercially published CD-ROM. According to the District Court of the Hague, the Database Directive did not permit a statutory limitation of the sui generis right in respect of such compilations. Under the Directive the CD-ROM publisher would, therefore, have been protected. However, since implementation had not yet been completed, and Article 11 of the Dutch Copyright Act clearly places laws and regulations in the public domain, no injunction was granted. The case eventually led to the adoption in the Database Act of a provision (Article 8(1)) that rules out government ownership of database rights in respect of laws, decrees, ordinances, as well as court and administrative decisions. The provision is supposedly based on the catch-all provision of Article 13 of the Directive, that leaves ‘laws on [...] access to public documents’ intact.

KPN v. Denda International and others – Court of Appeal Arnhem, 15 April 1997²⁷

Another case decided prior to implementation concerned wholesale copying of telephone subscriber listings owned by KPN Telecom (the former Dutch PTT). The Court of Appeal of Arnhem did not accept the defendant’s argument that KPN’s collection of subscriber data was a mere spin-off of its core activity as a provider of telephone services, and therefore did not constitute ‘substantial’ investment. The Court, however, did find that KPN would abuse its dominant position by refusing to license its data under fair and reasonable terms.²⁸

²⁵ Act of 8 July 1999, Staatsblad 1999, 303, effective 21 July 1999.

²⁶ President District Court The Hague, 20 March 1998, [1998] Informatierecht/AMI 65 (Vermande/Bojkovski), English translation available at <http://www.ivir.nl/rechtspraak/vermande-en.html>.

²⁷ Court of Appeal Arnhem, 15 April 1997, [1997] Informatierecht/AMI 218 (KPN/Denda).

²⁸ See final judgement by Court of Appeal Arnhem, 5 August 1997, [1997] Informatierecht/AMI 215.

The dispute has continued before the Dutch Post and Telecommunications Authority (OPTA); KPN was eventually ordered to license its subscriber data for a very small fee.²⁹

KPN v. Denda International and others – District Court Almelo 6 December 2000³⁰

In a follow-up decision on the merits, the District Court of Almelo had to consider, inter alia, whether acts committed prior to enactment of the Database Act, but after expiry of the implementation deadline, constituted database right infringement. The Court ruled that the Database Directive was not applicable, because application would undermine legal certainty. The Dutch Copyright Act has traditionally protected non-original writings, i.e. texts, compilations of data and other information products expressed in alpha-numerical form, that do not meet the test of originality.³¹ Applying old law, the Court awarded copyright protection to plaintiff's telephone directory as a non-original writing. In respect of acts committed after implementation, the new Database Act was applied. The Court did not accept the 'spin-off' argument presented by defendants. According to the Court, KPN's directory database did reflect substantial investment even though it was directly derived from its '8008' subscriber data file.

De Telegraaf v. NOS and HMG – Netherlands Competition Authority, 10 September 1998³²

The very first decision by the Netherlands Competition Authority, which was established on 1 January 1998 following the enactment of the new Competition Law, dealt (inter alia) with possible abuse of copyright and database right. Newspaper publisher De Telegraaf was refused a license in respect of the radio and television program listings owned by broadcasters NOS and HMG. Inspired by the Magill decision of the European Court of Justice, the Authority opined that the broadcasters had abused their dominant position. By refusing to license, Dutch consumers were effectively prevented from buying newspapers containing program listings, a type of information product that did not exist on the Dutch market. Interestingly, the decision also contains analysis of the scope of the new database right. The Competition Authority questioned whether the requirement of 'substantial investment' has been fulfilled, the program listings being a mere spin-off of the broadcasters' main activities.

NOS v. De Telegraaf – Court of Appeals of The Hague 30 January 2001³³

The dispute between De Telegraaf and the broadcasters has continued before the civil courts. Pending the final outcome of the competition case discussed above, De Telegraaf had copied program listings for publication in its weekly television guide. Applying the 'spin-off' doctrine, the Court of Appeals of The Hague – ruling in

²⁹ *Denda v. KPN*, Dutch Post and Telecommunications Authority (OPTA), 29 September 1999, [2000] Computerrecht 47; the fee was set at less than f 0, 005 per datum.

³⁰ *KPN v. Denda International and others*, District Court Almelo 6 December 2000, [2001] AMI ???.

³¹ See P.B. Hugenholtz, 'Copyright and databases, Report on the Netherlands', in: M. Dellebeke (ed.), *Copyright in cyberspace*, ALAI Study Days 1996, Amsterdam: Otto Cramwinckel 1997, p. 491.

³² *De Telegraaf/NOS and HMG*, Netherlands Competition Authority (Nederlandse Mededingingsautoriteit), 10 September 1998, Mediaforum 1998, p. 304, note P.B. Hugenholtz .

³³ *NOS v. De Telegraaf*, Court of Appeals of The Hague 30 January 2001, [2001] Mediaforum 90.

summary proceedings – held that the broadcasters did not enjoy database right protection for their listings because no substantial investment in the making of the database, above and beyond any investments in the programming as such, had been demonstrated. Even so, the broadcasters were awarded copyright protection in their ‘non-original writings’. However, their consistent refusal to license the listings under reasonable terms was held to constitute anti-competitive behaviour. In sum, no injunction was granted.

KPN v. XSO – President District Court of the Hague 14 January 2000³⁴

The District Court of the Hague held that the operator of a dedicated search engine infringed KPN’s database rights by providing data extracted from KPN’s online telephone directory, without referring users of the service to its site, and thereby denying KPN advertising revenue. The Court expressly rejected the ‘spin-off’ argument.

NVM v. De Telegraaf – President District Court of the Hague, 12 September 2000³⁵

Likewise, the District Court of the Hague found database right infringement in a case pitting the Dutch organisation of real estate brokers NVM against newspaper publisher De Telegraaf. The latter operated a web-based search agent (‘El Cheapo’) allowing users to look for real estate and other goods for sale. According to the Court, El Cheapo’s retrieval of data from the NVM web site amounted to unauthorised extraction and reutilization within the meaning of the Database Act. Remarkably, the Court added that even the extraction of small amounts of data would qualify as (‘qualitatively’) substantial extraction, since just a few data might be of great value to end users.

NVM v. De Telegraaf – Court of Appeal The Hague 21 December 2000³⁶

The Court’s decision in the ‘El Cheapo’ case was overturned by the Court of Appeal of The Hague. After confirming that the collection of real estate objects was a database in a technical sense, the Court ruled that the required substantial investment in the database had not been proven. Individual NVM agents had previously set up the database for use in an internal network; therefore the database was considered a mere spin-off of other activities.

Algemeen Dagblad a.o. v. Eureka – President District Court of Rotterdam, 22 August 2000³⁷

This case concerned a web site (‘Kranten.com’) providing automatic hyperlinks to newspaper articles posted online. Newspaper publisher PCM argued inter alia that the unauthorised use of headlines constituted database infringement. The Court did not agree; the headlines were a mere by-product (spin-off) of newspaper publishing,

³⁴ *KPN v. XSO*, President District Court of the Hague 14 January 2000, [2000] Mediaforum 64, note P.B. Hugenholtz; Informatierecht/AMI 2000, p. 71, case comment A. Beunen at p. 58.

³⁵ *NVM v. De Telegraaf*, President District Court of the Hague 12 September 2000, [2000] Mediaforum 395, note M.M.M. van Eechoud.

³⁶ *NVM v. De Telegraaf*, Court of Appeal The Hague 21 December 2000, [2001] Mediaforum 87, note M.M.M. van Eechoud.

³⁷ *Kranten.com*, President District Court of Rotterdam, 22 August 2000, Mediaforum 2000, p. 344, English translation available at <http://www.ivir.nl/rechtspraak/kranten.com-english.html>.

and therefore did not reflect substantial investment. Moreover, PCM had failed to show that by Kranten.com's systematically linking to underlying web pages ('deep' linking) it had lost advertising revenue.

Spain

In Spain the Database Directive was implemented by the Act of 7 March 1998, amending the Intellectual Property Act of 1996.³⁸

Editorial Aranzadi – Court of First Instance Elda 2 July 1999³⁹

The case concerned the unauthorised reproduction and posting on the Internet of a database containing case law and legislation. The publisher had put time and effort into the compilation, systematising and introduction of the material. Although defendant had altered the identification codes placed in the document by plaintiff to prevent copying, defendant's actions were held to infringe the publisher's database right.

United Kingdom

In the United Kingdom the Directive has been implemented by way of the Copyright and Rights in Databases Regulations 1997⁴⁰, which were adopted by the Secretary of State for Trade and Industry on 18 December 1997. To date two decisions concerning database right have been reported.

Mars v. Teknowledge – High Court, Chancery Division 11 June 1999⁴¹

The case concerned a programmable semiconductor chip (discriminator) installed in Mars vending machines. The chip can be programmed and re-programmed with the parameters of acceptable coinage in order to discriminate fake coins used by consumers. Teknowledge succeeded in deciphering the encryption code on the chip and offered its own re-programming service. Mars sued for infringement of copyright and database rights, and breach of confidence. Teknowledge objected on the basis of the common law 'right to repair' and the 'spare part defence' pursuant to the British Leyland precedent. The judge ruled that neither UK law nor the European Computer Programs or Database Directives allow Member States to provide for a 'right to repair'. Although Article 6(2)(b) of the Database Directive allows Member States to provide for exceptions from copyright protection recognised by domestic law, that exception must be adopted by Member States through legislation. It was not for judges to implement the Directive on the Member States' behalf.

British Horseracing Board (BHB) v. William Hill Organization Ltd. – High Court of Justice 9 February 2001⁴²

³⁸ Act No. 5/1998 of 6 March 1998, BOE No. 57 of 7 March 1998, p. 7935, effective 1 April 1998.

³⁹ *Editorial Aranzadi*, Court of First Instance Elda (Alicante) 2 July 1999, <http://www.onnet.es/aranzadi.pdf>.

⁴⁰ Copyright and Rights in Databases Regulations 1997, SI 1997/3032, HSI - Issue 302, p. 10145, effective 1 January 1998.

⁴¹ *Mars v. Teknowledge*, High Court, Chancery Division 11 June 1999, [1999] EIPR N-158.

On-line bookmaker William Hill used racing information compiled by the governing body of horse and dog racing (BHB) for its betting web sites. Laddie J. ruled that the BHB database is protected by database right. BHB was found to have invested substantially in the controlling and up-keeping of its database. William Hill had copied a substantial part of the database, by extracting core information, such as the times and places of the races, in a repeated and systematic manner. In passing, the Court noted that so-called 'dynamic' databases, requiring constant updating, are also protected by database right.

4. Conclusion

As the preceding overview of case law has demonstrated, five years after the adoption of the Database Directive the contours of the new database right remain obscure. Key notions, such as the requirement of 'substantial' investment or the notion of 'repeated and systematic' extraction, remain open to conflicting interpretation and controversy. Do databases that directly emanate from ongoing data generating activities, such as operating a telephone service or programming a television channel, qualify as protected databases? Or does the 'spin-off' doctrine, popular particularly among some courts in The Netherlands, prevail? Is the extraction of a mere few data 'insubstantial' even if the data are extremely valuable to the user? Are operators of search engines that automatically browse through web-based databases liable for 'repeated and systematic' extraction and reutilization or not? Does the database right leave room for supplementary protection under existing rules on unfair competition (e.g. misappropriation), under easier terms than the sui generis right, or is such protection preempted by the new database right? To these and other important questions national courts in Europe have produced conflicting, and sometimes disturbing answers.

In sum, it is far too early to draw conclusions, except, perhaps, that non-European countries contemplating the introduction of a database right or similar regime would be well advised to wait and see – *wait* until the European Court of Justice has had the opportunity to clarify the key notions of the Directive; and *see* if what ensues is beneficial to the information industry, and in the public interest. In the meantime, it will be interesting to study the evaluation report by the European Commission, which is due by the end of 2001.⁴³

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⁴² *Horsereading Board Ltd. v. William Hill Organization Ltd.*, High Ct. of Justice, Ch. Div., 9 February 2001, Case No. HC 2000 1335, available at http://www.courtservice.gov.uk/judgments/judg_home.htm.

⁴³ Article 16 § 3 Database Directive.