Protection of Databases in India: Copyright Termination Sui Generis Conception

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Historically, databases are protected under copyright laws. India, which has been a major beneficiary of electronic commerce, provides copyright protections to databases. The adequacy of these protections is analysed in this paper, which considers the developments in digital, which make most of the database manufacturers susceptible to free-rider competition. The paper aims to demonstrate that adoption of the Feist doctrine by the Indian courts leads to inequitable results. The solution which the paper advocates is the adoption of a sui generis legislation which clearly prescribes the property rights and limitations, to database creators in India.

Keywords: Database protection, Feist doctrine, sweat of the brow, sui generis

India has been a key beneficiary of electronic commerce. This has brought in a wave of digitization of offices and workplaces with the concomitant effects of decrease of bundles of papers and increase of bits and bytes of databases. A database generally refers to an aggregate of information systematically arranged and fixed, whether on paper or in any other form such as electronic media, i.e. stored in computer system. While databases, like telephone directories, are ‘compiled out of necessity in the ordinary course of business, the originators of many electronic databases take on the risks and tasks of gathering raw data’ and organizing it through an efficient search engine for easy access to data. Entire businesses are being built upon it, investing heavily in searchable databases and generating revenue streams from subscriber fees, royalties, or advertising.

The Basis for Granting Protection to Databases

The processes of creating databases involve huge capital outlays and are undertaken solely on the prospect of generating revenue on the sale of the information or database services. In order to recover investment and to avoid parasitic competition, the database manufacturer must be able to protect his compilation efforts. Advances in information technology enable potential competitors and pirates to engage in market-destructive copying. Today, database pirates can use widely available technologies to copy or print electronic databases and distribute them around the world. The advent of digital, high-speed computer networks adds greatly to this threat of piracy. Internet users can copy and distribute large collections of information with the click of a mouse and at a fraction of the enormous costs required to develop these products. These risks will only increase as society becomes more dependent on computers and digitized information, and as technologies provide new and even more efficient ways to copy and distribute informational products.

The Database Protection Equilibrium: An International Debate

The backbone of international copyright protection for databases is, of course, the 1971 Paris Act of the Berne Convention for the Protection of Literary and Artistic Works. There is some divergence of opinion, over which part of Article 2 of the Berne Convention protects compilations of fact and factual databases. Article 2(1) is a comprehensive formulation of protectable subject matter broad enough to include compilations. But Article 2(5) of the Berne Convention is directed specifically, to at least certain compilations and invokes standards of protectibility that are widely applied to all compilations. Protected works include: ‘Collections of literary or artistic works such as encyclopedias and anthologies which, by reason of the selection and arrangement of their contents, constitute intellectual creations.’

In the European Union, law with regard to database protection is contained within the European Parliament and Council Directive 96/9 on the legal

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The Directive reserves _sui generis_ protection for databases whose creation requires substantial investment. It prohibits extraction and/or re-utilization of the whole or of a substantial part of a database and, under certain conditions, insubstantial parts of a database. The term ‘database’ refers to any collection of works, data or other materials, separable from one another without the value of their contents being affected, that includes a method or system of some sort for the retrieval of each of its constituent materials. However, the protection of the _sui generis_ right is reserved for databases which show, qualitatively or quantitatively, a substantial investment in the obtaining, verification or presentation of their contents.

In November 2005, the European Court of Justice gave its ruling in four related cases involving interpretation of the scope of the _sui generis_ right introduced by Database Directive 96/9 to protect investment in making databases. The Court has in some respects construed the scope of the right broadly (definition of subject-matter and rights) and in others restrictively (protection requirement and infringement test). The most important aspect of the Court’s ruling is that investment in creation of data does not _de jure_ trigger the _sui generis_ right. Thus, many databases consisting of created data (for example, television listings, event data including sports fixtures, timetables, stock exchange data, etc.) will generally remain unprotected. The decision attempts to achieve a better balance between database producer’s rights and public access to information by restricting the scope of the _sui generis_ right.

**India’s Position on a Sui Generis International Treaty**

As industries in the global market progressively come to rely on electronic compilations of data, calls for new, _sui generis_ forms of legal protection for databases have grown apace. The issue of database protection has been on the agenda of the WIPO Standing Committee on Copyright. Studies have been commissioned on the economic implications of database laws, especially for developing countries. At the Third Session of the Standing Committee, a number of countries, including India, took the view that the need for additional protection had not yet been demonstrated. The Indian delegation argued that copyright protection was sufficient and working well and that there were concerns about the possible effects of database rights on the development of science, technology, research and education.

**Database Protection under the Information Technology Act, 2000**

In 1999, prompted by United Nations Commission on International Trade Law’s Model Law on Electronic Commerce (MLEC) and notable developments in Asian countries such as Singapore and Malaysia, India commenced with providing a legal framework for Internet activity. The Union Cabinet approved the bill on 13 May 2000 and it was finally passed by both the houses of Parliament on 17 May 2000. The Act, received presidential assent on 9 June 2000 as the Information Technology Act, 2000. India aims to regulate all digital activity through the Information Technology Act, 2000. However, the database protection provided under the Act is fairly limited.

Specifically, Section 43 of the Indian Information Technology Act, 2000, imposes liability ‘to pay damages by way of compensation not exceeding one crore rupees to the person so affected’ if ‘any person without permission downloads, copies, or extracts any data, computer database or information from such computer, computer system or computer network.’ The Section defines ‘database’ as the ‘representation of information, knowledge, facts, concepts, or instructions prepared in a formalized manner.’ Though this section can be applied for electronic databases, its effectiveness is still to be tested for granting protection to databases or data on the Internet.

**Database Protection under the Copyright Act, 1957**

Most municipal legal systems have steadily moved in the direction of providing protection to computer software and databases under copyright law. In principle, it is the skill, labour and judgement of the author that is protected irrespective of the form in which the product appears e.g. whether one types a book on an old-fashioned typewriter or transforms it in a digitized form or in handwritten form. Any reproduction of the work including translations is considered a reproduction of the original.

Protection for databases in India has been tested in the traditional intellectual property regime of copyright protection. This is contained under the Indian Copyright Act, 1957, post 1994 amendments.
The Indian Copyright Act, 1957 was amended in 1994 to extend more effective protection to owners of copyright by making provision for the special nature of computer programs as literary works and for the protection of computer generated works. The amendments included in the meaning of ‘literary work’, the works such as computer programs, tables and compilations including computer databases. Under Section 2(o) of the Copyright Act, ‘computer database’ is included in the definition of ‘literary work’.

Database manufacturers are relying on copyright laws as databases are protected as compilations under literary works. In India, being a member of the Berne Convention and TRIPS Agreement, the requirement of originality in selection or arrangement of the contents of the database is required to attract copyright protection. Furthermore, the Copyright Act provides that copyright shall subsist in original works of authorship.

To obtain copyright protection for a compilation, it must exhibit some creativity or originality in selection or arrangement of contents of the compilation. There has been no clear pronouncement by the Indian courts on the concept of originality and the term is not defined anywhere in the Indian Copyright Act. Typically each case is decided on the basis of its, peculiar, ‘facts and circumstances’.

The Indian courts seem to uphold the ‘sweat of the brow’ theory or the skill, labour and judgment test in deciding copyright infringement of databases. In many cases, like McMillan v Suresh Chunder Deb, Govindan v Gopalakrishna, and others, the courts held, ‘a compilation developed through devotion of time, capital, energy and skill, though taken from a common source, amounted to a literary work and was therefore protected under copyright’. The courts based their decisions on the point that no person was entitled to seize for oneself the fruits of another’s skill, labour or judgment and even a small amount of creativity was protected in a compilation. These cases clearly show that the ‘sweat of the brow’ doctrine is being followed by Indian courts in deciding copyright protection to databases.

The section’s applicability to database protection was recently examined in Diljeet Titus, Advocate & Ors v Alfred A Adebare & Ors where the Delhi High Court held, ‘the copyright in a database prepared by an advocate working under and in the office of another advocate by using the latter’s resources, expertise and investment, would vest in the employer advocate’. The Court reasoned that under Section 17(1)(c) in case of a work made in the course of the author’s employment under a contract of service or apprenticeship, the employer shall, in the absence of any agreement to the contrary, be the first owner of the copyright therein.

In a recent case, the Delhi High Court said, ‘in case of compilations, another person can make a similar compilation, but cannot infringe upon the copyright of the previous compiler by appropriating the fruits of his labour’. Rejecting protection for ‘head notes’ prepared by the plaintiff publishers, the Court observed that protection of copyright must inhere in a creative, original selection of facts and not in the creative means used to discover the facts. The Court referred to the US Supreme Court’s Feist decision and said that there should be a modicum of creativity in the selection, arrangement or co-ordination of the contents of a database to attract copyright protection.

A Critical Analysis of the Feist Reasoning

The reasoning applied by the Indian courts in adopting the Feist decision, correctly delineates, creativity involved in independent works and discovery of pre-existing facts in collected works. However, it does not offer protection to the investment incurred in producing the compilations that is left to sui generis rights.

Feist made it clear that only a compiler’s selection and arrangement of facts would be protected, while the raw data could be copied at will. With such a ‘thin’ layer of protection, the threat of piracy may discourage the development of commercially valuable databases. Database producers will be reluctant to spend the time and money necessary to compile a useful database if competitors can copy and exploit it easily for their own profit.

The ProCD case is an ideal example of free riding which can occur from the application of the Feist doctrine. ProCD ‘compiled information from more than 3,000 telephone directories into a computer database’ and sold it. Zeidenberg bought a copy of the database, extracted the data from the database, and sold information from the database on the Internet. The database of ProCD costed more than $10 million to compile. The database of Zeidenberg apparently costed him about $150. The Court held that there was no copyright infringement with respect to the
extraction but Zeidenberg was bound to the shrinkwrap license. In the absence of such a license surely ProCD would have undergone hardship due to legislative inaction.

Moreover, courts would exclude from copyright protection databases they deem ‘noncreative,’ i.e., lack a minimum of originality, creativity or expression of personality in the selection, coordination or arrangement of their contents. Noncreative databases are worthy of some form of protection; protection that will provide an economic incentive to create and make widely available the comprehensive and verifiably accurate sets of pure data that are so important today.

The critics of sui generis legislation for databases state that it exemplifies the expansionary nature of the contemporary intellectual property policy environment being contrary to the general public interest of greater access to data. However, such an argument is defeated when the impugned specific legislation strengthens the ‘fair use’ provisions as well as waters down the exceptions to property right it grants.

Conclusion

In 1996, the European Union adopted a Directive establishing sui generis protection for the ‘substantial investment’ that information compilers expend. The fifteen Member States of the European Union must incorporate this protection into their domestic law by the end of 1997. In response to the EU measure, a bill affording similar coverage was submitted in, but not enacted by, the 104 Congress and the World Intellectual Property Organization (WIPO) drafted, but so far has tabled, a database treaty.

Without additional protection for non-creative databases, the Indian economy will suffer. Only clearly defined copyright and database rights will cultivate a legal environment from which the investment necessary to construct and disseminate a variety of on-line and off-line database services so vital to the development of electronic commerce may flow. The information age requires new legal developments. India indeed needs a new, specific legislation for legal protection of databases. It is pertinent to bear in mind that, ‘information is the raw material for the new economic era which we entered upon some few short years ago. . . . In the Agrarian Age, the law developed to facilitate the ownership and use of the most important asset of the time: land. In the Industrial Age, the law developed to facilitate the ownership and use of the chattel. So, in the Information Age, we should expect the law to develop to address the use of information, and in doing so consider whether it can indeed be owned at all.’

References

10. British Horseracing Board Ltd v William Hill Organisation Ltd (C203/02) [2004] E C R I-10415 (ECJ); Fixtures Marketing Ltd v Organismos Prognostikon Agonon Podosfairou (OPAP) (C444/02) [2004] E C R I-10549 (ECJ); Fixtures Marketing Ltd v Svenska Spel AB (C338/02) [2004] E C R I-10497 (ECJ); Fixtures Marketing Ltd v Oy Veikkaus AB (C46/02) [2004] E C R I-10365 (ECJ).
11. Sui Generis means of its own kind or class; unique or peculiar, Black’s Law Dictionary, 8th edn, 2004.


18 IT Act, 2000, Section 43 b.

19 17 USC § 102 (1997) (enumerating eight categories of protectable works under US law, including, inter alia, literary, dramatic, graphic, architectural and musical works, and computer programs); (UK) Designs and Patents Act, 1988 (c48), pt I, ch I, § 1(a) (1989) (protecting literary, dramatic, musical and artistic works, computer programs, cinematographic and audio-visual works); Doi Teruo, Japan in 2 International Copyright Law & Practice (Geller Paul E et al eds, 1997) (citing Japanese Copyright Act, Article 2(1)(i), 10(1) (1970), which protects works of authorship, Chosakubutsu, which is defined as a ‘production in which thoughts or emotions are expressed in a creative way and which fall in the literary, scientific, artistic or musical domain’ and listing as protected nine enumerated categories of literary, musical and choreographic works; paintings, woodcut prints, architectural works, maps, cinematographic works; and program works, including computer programs); Economic Law of Russia Law of the Russian Federation No. 5351-1, Article 6, 7 (1993), available in LEXIS, Inlawn Library, Rflaw File (covering ‘works of science, literature and the arts, that are the result of creative activity, irrespective of the purposes or merits of such works’; forms include written, oral, sounds or video recording, image and three-dimensional forms and lists as ‘objects of copyright,’ literary, dramatic, choreographic, musical, audio-visual; paintings, sculpture, applied art, scenographic art, architecture, photographic works, maps and computer programs).


21 ILR 17 (Cal) 951, 961.

22 1955 AIR 42 (Mad) 391, 393.

23 Shyam Lal Paharia v Gaya Prasad Gupta Rasal, 1971 AIR 58 (All) 192, 195, 199; Gangavishnu Shrikisondas v Moreshvar Bapujii Hegishte, ILR 13 (Bom) 358, 363 (1889); Burlington Home Shopping Pvt Ltd v Rajanish Chibber, Entertainment Law Review 6 (1995) 159 (Delhi) (The plaintiff was a mail order company whose list of customers had been copied by an ex-employee, the defendant; the court appointed a computer expert to visit the defendants premises and to prepare a complete report on the database being used by the defendants; the expert then submitted a report comparing the plaintiffs and the defendants databases and the extent to which copying had taken place; even the names of non-living persons, incorrect addresses, and typographical errors had been copied, on which basis the defendant was enjoined). Himalaya Drug Company v Sumit (Suit No 1719 of 2000) (The Delhi High Court passed an ad interim ex parte restraining order against an Italian infringer who had copied the herbal database of an Indian drug company onto his own website; this order was brought to the notice of the ISP (GO2NET Inc) who removed the infringing material and furnished the details of the infringer).

24 2006 (32) PTC 609 (Del).

25 Eastern Book Company v Desai, AIR 2001 (Delhi) 185.


27 Eastern Book Company v Desai, AIR 2001 (Delhi) 203. The Court, speaking of the modicum of creativity requirement, said that reproduction of the judgments by giving paragraph numbers and correcting the mistakes, if any, was not enough creativity by the plaintiff so there could be no copyright in the reproductions. The Court speaks of the requirement of modicum of creativity in selection and arrangement in this paragraph while it states later in paragraph 41 that if the plaintiffs prepare head notes with their own skill and labour, there can be copyright in such head notes. This decision speaks both about the modicum of creativity and the labour and skill test.

28 Feist Publications Inc v Rural Telephone Service Co, 111 US 1282 (1991). Rural sued for copyright infringement, taking the position that Feist Publications could not use the information in Rural’s white pages to compile its own directory, but must independently collect the data. Feist Publications response was that conducting its own research would be economically unfeasible, wasteful and also unnecessary since the information in Rural’s white pages was not protected by copyright. Writing for the United States Supreme Court, Justice O’Connor addressed the undeniable tension posed by copyright’s protection for compilations, but not facts.


31 ProCD Inc v Zeidenberg 86 F 3d 1447.


HR 3531, 104th Cong, 2d Session (1996).
