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DATABASE PROTECTION IN THE UNITED STATES IS ALIVE AND WELL: COMMENTS ON DAVISON

Marshall Leaffer[†]

I would like to thank Professor Lipton for putting together this excellent conference and for the opportunity to comment on Professor Mark Davison's comprehensive and interesting paper on the database issue.¹ I was hoping to take issue with Professor Davison's position. I cannot because I heartily agree that the cost of a *sui generis* database law outweighs its benefits. Moreover, I believe that such protection would be inappropriate in the American context. As Professor Davison has stated, the United States just barely missed going down the European path, coming close to passing database law legislation. For the moment, the *sui generis* database project seems to be a dead issue, but I do not think we have heard the last word on the subject. I predict that the project will be revived sooner rather than later. When it does come back, I hope that the U.S. will be informed by the European experience, particularly by the European report that throws into doubt the rationale and efficacy of *sui generis* protection. For Europe, however, it seems too late to go back in time. European database protection is a *fait accompli*. This proves once again the adage that once a law is on the books—even a bad one—it is difficult to get rid of.

One justification for passing a *sui generis* database protection is that *Feist Publications, Inc. v. Rural Telephone Service Co.*² created a

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¹ Mark Davison, *Database Protection: Lessons from Europe, Congress and the WIPO*, 57 CASE W. RES. L. REV. 829 (2007).

² 499 U.S. 340 (1991).

gap in protection by excluding those databases that do not manifest the requisite but low level threshold of originality. Now, this “gap in protection” argument has always been a justification for passing more robust, more inclusive intellectual property laws. Of course, the implicit assumption here is that air tight legislation in the intellectual property field is what we should be striving for. I disagree with this attitude. In general, there should be a presumption—if not a healthy skepticism—against any extension of property rights in information. And I would hope that we apply this skepticism not only to any renewed attempt at passing a *sui generis* database law but to any extension of intellectual property rights. Maybe if we are going to do the world over again, we would take databases, and for that matter computer software, outside of copyrights. But it is too late because that would not comport with our international obligation under the Berne Convention.³

Recognition of compilations of facts has been a part of international copyright norms for some time. Article 2(5) of the Berne Convention requires protection as to their selection or arrangement, but not necessarily as to their miscellaneous facts.⁴ So, we have to protect compilations of facts. We protect them in the United States so long as the compilation manifests originality as to the selection and arrangement of the factual material. Once we acknowledge protection of compilations of fact within copyright, a tension is created. Factual compilations are works of utility comprising public domain materials—individual facts—that are excluded from protection under Section 102(b) of the Copyright Act.⁵ Copyright law works well for more imaginative works of art, literature, and music but operates less well when works of utility, such as factual compilations and computer software, are concerned. Legislative attempts to add layers of protection to such works of utility under copyright law have not had a good track record. Our experience in the United States supports this view.

In his article, Professor Davison has effectively reviewed the various legislative projects in the United States for *sui generis* protection.⁶ As he points out, these legislative proposals have run the gamut from those based on the European model to other versions more congenial to the scientific and educational community. I would like to briefly examine the latest legislative version of *sui generis*

³ Berne Convention for the Protection of Literary and Artistic Works, Sept. 9, 1886, 25 U.S.T. 1341, 828 U.N.T.S. 221 (as revised at Paris, July 24, 1971).

⁴ *Id.*

⁵ 17 U.S.C. § 102(b) (2006).

⁶ Davison, *supra* note 1.

protection of compilations of fact in the Database Collections of Information Misappropriation Act.⁷ This Act, supported by a portion of the educational and scientific community, was based on a misappropriation principle. The Act prohibits making available in commerce a qualitatively substantial part of a database without authorization if the database was generated through a substantial expenditure and if the taking occurs in a time sensitive manner, inflicts injury on its owner, allows others to free ride, and results in a reduced incentive to produce the product. The prohibition would not apply to nonprofit, educational, scientific, and research institutions provided a court determines that the activity is reasonable.

Another Bill, House Bill 3872,⁸ was introduced as a counterpart to House Bill 3261, providing that misappropriation is an unfair method of competition under Section 5 of the Federal Trade Commission Act.⁹ House Bill 3261 was a watered down version of database protection, which may seem inoffensive and a laudable attempt to reconcile all interests under a misappropriation banner. Indeed, some in the educational and scientific communities argued that if we were going have database protection, it was better to coalesce around a moderate proposal rather than one based on the European Union model. Ultimately, these two bills went nowhere because they satisfied no one. Database owners were uncomfortable about having to prove time sensitivity among other key terms incorporated in the legislation. I would agree with the database owners, at least to the extent that the basic terms incorporated into the proposed Act defy accurate definition. Because of its inherent vagueness, I believe that passage of this legislation would have imposed costs on everyone without rendering property rights any more certain. Bad legislation is worse than none at all.

My general proposition is that when one takes into account the multifaceted ways database owners can protect their creations, their ability to protect is robust and flourishing, even without a specialized *sui generis* protection. Database owners of all varieties are well taken care of under U.S. law. These modalities of protection encompass causes of action under civil and criminal law and include a panoply of state and federal remedies. One of these legal strategies that operate outside of copyright law is the Computer Fraud and Abuse Act,¹⁰ which prohibits certain access to computers without authorization.

⁷ H.R. 3261, 108th Cong. (2004).

⁸ H.R. 3872, 109th Cong. (2005).

⁹ 15 U.S.C. § 45(a)(2) (2006).

¹⁰ 18 U.S.C. § 1030 (2006).

The Act imposes civil and criminal liability on persons who, knowingly and with intent to defraud, access a protected computer without authorization. The Act has been used with success in cases involving databases.¹¹

State law remedies, in particular contract law remedies, are an alternative form of protection in the age of shrink-wrap and click-on licenses. The leading case sustaining the efficacy of the contract remedy is *ProCD v. Zeidenburg*.¹² In *ProCD*, the Seventh Circuit Court of Appeals held that a contractual restriction against copying in a shrink-wrap license was enforceable and was not preempted by copyright. Here, the court found that state law was not preempted, finding the extra element in the contract claim was not a right equivalent to copyright. *ProCD* has been criticized in the academic literature and in other circuits, but clearly the trend in the case law has sustained its basic principles. In some ways, it allows owners of non-original databases to circumvent the originality threshold of copyright law as articulated in *Feist*.

Other state law remedies are at the disposal of database owners, including trade secret law. But the bigger news is successful claims under the trespass to property theory. In *eBay, Inc. v. Bidder's Edge Inc.*,¹³ a California district court granted eBay's request for a preliminary injunction on a claim of trespass to personal property. The defendant had used automated robots that queried eBay's web site about a hundred thousand times a day to collect information about online auctions. The court rejected the defendant's copyright preemption argument, reasoning that the right to exclude others from using physical property is not equivalent to any of the rights protected under copyright. Other California cases have also favorably applied this cause of action in the database context.¹⁴

Review of state law remedies would not be complete without mentioning the misappropriation doctrine, which has enjoyed a checkered career, to say the least, but it is still conceivably available to database owners. A misappropriation cause of action would hardly be a mainstay for database protection, but it nonetheless has been effective in circumstances where the material taken by a competitor is time sensitive, the free riding is clear, and injury has occurred. For example, in *Pollster v. Gigmania, Ltd.*¹⁵ a California district court

¹¹ See, e.g., *EF Cultural v. Explorica*, 274 F.3d 577 (1st Cir. 2001).

¹² 86 F.3d 1447 (7th Cir. 1996).

¹³ 100 F. Supp. 2d 1058 (N.D. Cal. 2000).

¹⁴ See *Ticketmaster Corp. v. Tickets.com, Inc.*, No. CV99-7654-HLH (BQRx), 2000 U.S. Dist. LEXIS 12987 (S.D. Cal. Aug. 10, 2000); *Intel v. Hamidi*, 71 P.3d 296 (Cal. 2003).

¹⁵ 170 F. Supp. 2d 974 (E.D. Cal. 2000).

held that concert information on the Pollster web site was determined to be hot news and therefore protectable under the misappropriation doctrine.¹⁶ In similar fashion, a Florida district court held that a real-time scoring system could be protected against free riding under misappropriation principles.¹⁷

Turning to copyright, the anticircumvention provisions of the Digital Millennium Copyright Act (DMCA)¹⁸ create substantial protection, particularly for electronic databases. Section 1201(a) of the DMCA prohibits the circumvention of devices or technologies that are used to control access to a copyrighted works. In addition, Section 1201(b) of the DMCA imposes liability on manufacturers and suppliers of instruments designed to circumvent access control devices. The DMCA provisions are particularly useful in the world of electronic databases.

Of course, the database controversy is largely a function of the holding in *Feist*.¹⁹ In *Feist*, the Supreme Court held that the white pages of a telephone book did not meet the originality standard required for copyright protection. Originality, as defined by the Supreme Court, meant that a work was created independently and possessed some minimal degree of creativity. Facts themselves are not original and a compilation of facts will meet the standard of originality only if the facts are selected and arranged in an original way. Significantly, the Court stated that the threshold of originality is low.

What has happened since the *Feist* case? Has it been the disaster predicted by databases after the famous 1991 decision was handed down? Some database owners were quite worried that the courts would zealously refuse to protect their creations but their fears were exaggerated. We saw this first soon after *Feist* in the *Key Publications, Inc. v. Chinatown Today Publishing Enterprises, Inc.*²⁰ In *Key Publications*, the Second Circuit applied the *Feist* threshold of originality to justify copyright protection for the selection and coordination of yellow pages data in a classified business directory for New York's Chinese-American community. Other courts have held that the originality standard of *Feist* is met where the compiler's claimed "original" contribution is subjective and evaluative. In *CCC*

¹⁶ *Id.*

¹⁷ See *Morris Commc'ns. Corp. v. PGA Tour, Inc.*, 235 F. Supp. 2d 1269 (M.D. Fla. 2002), *aff'd*, 364 F.3d 1288 (11th Cir. 2004).

¹⁸ Pub. L. 105-304, 112 Stat. 2860 (codified in scattered sections of 5, 17, 28, and 35 U.S.C. (2006)).

¹⁹ 499 U.S. 340 (1991).

²⁰ 945 F.2d 509 (2d Cir. 1991).

Information Services v. Maclean Hunter Market Reports, Inc.,²¹ the plaintiff Maclean published the Red Book of used car values in various versions including a computer database and republished them in various forms to its customers. The court rejected defendant's argument that the data were historical prices or mechanically derived. Rather, the court found that the originality standard was satisfied in the selection of data where the compiler's claimed original contribution is subjective and evaluative, making the distinction between soft facts, which are infused with the author's taste or evaluative judgment, and hard facts, which are denied protection under copyright. Because so much that one could characterize as fact is infused with the authors' taste and judgment, *CCC Information Services* expands significantly the range of copyrightability in the realm of databases.

One might gather from the above that all varieties of databases enjoy de facto inclusive protection under copyright law. This is not the case. *Feist* imposes a modest originality requirement, but it must be met. The dilemma for creators of databases that do not meet the *Feist* threshold is that they may be out of luck. Doctrinal problems do exist that have not been worked out in a satisfactory way. One such issue concerns the dilemma of the electronic database. Often the value in a database lies in its comprehensiveness rather than its original selection or arrangement. Unlike databases that exist in print form, many electronic databases are designed to be accessed by software that permits the user to choose from a number of possible arrangements. In other words, an electronic telephone book is dynamic and can take some forms due to the interplay of software that might meet *Feist* originality, while other arrangements may not. Thus, arranging the information in a database that is sufficiently creative to qualify for copyright protection may detract from the usefulness of many databases. Only by the application of state law remedies, anticircumvention protection under the DMCA, or simply technological self-help (i.e., technological means that impede access) can a database owner vindicate his rights.

Perhaps a minor legislative fix may be justified to remedy the electronic database dilemma. But I would go no farther than a minor legislative fix, and a *sui generis* provision should be out of the question. Until we find with relative certainty that a more comprehensive statutory mechanism would be justified from an economic standpoint, I would strongly argue to keep the status quo. Unfortunately, very little empirical research demonstrating that lack

²¹ 44 F.3d 61 (2d Cir. 1994).

of protection of non-original databases has undermined optimal incentives for their creation is ambiguous at best. I would reaffirm one of Professor Davison's conclusions on the subject.²² So far the benefits of database protection are exceeded by their costs. The United States not long ago avoided a European style *sui generis* law through legislative gridlock. Three cheers for legislative gridlock.

²² Davison, *supra* note 1.

