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Business data - stock quotes, mutual fund reports, Securities and Exchange Commission filings. Legal data - Federal, State and international court rulings, statutes, administrative regulations. Government data - proposed legislation, voter registration records, tax rolls. Personal data - credit reports, buying preferences, test scores. The compilations of facts listed above are but a few examples of the vast amount of information that has been made readily available to the general public over the course of the past decade. The speed of recent innovation has created a cyclone of developing technology which has transformed listings of facts into the "databases" that are at the heart of a multi-billion dollar industry in the United States.  

1 Annual sales within the various categories of the United States database industry range from $4.5 billion to $200 billion. These categories include: publishing industry and related services, newspapers, books and magazines, data processing and preparation, network services, business information suppliers, electronic delivery of business information, information retrieval services and commercial nonphysical research. Laura D'Andrea Tyson and Edward F. Sherry, Statutory Protection for Databases: Economic & Public Policy Issues, (visited Jan. 4, 1999) <http:www.infoindustry.org/ppgrc/doclib/grdoc016.htm>. Dr. Laura D'Andrea Tyson is a Professor of Economics and Business Administration at the University of California at Berkeley and former National Economics Advisor to President Clinton.
of information inaccessible to most Americans, computer databases and other compilations of factual material are now an integral part of the American economy.²

This Note will address the current status of efforts to enact database protection legislation in the United States, considering the recent Second Circuit Court of Appeals denial of protection in Matthew Bender & Co. v. West Publishing Co. and the failure of the Collections of Information Antipiracy Act in the 105th Congress. A review of prior cases and proposed legislation, from Feist Publications, Inc. v. Rural Telephone Service Co.³ to the Collections of Information Antipiracy Act,⁴ indicates that recent legislative efforts may conflict with Supreme Court precedent and raise significant constitutional concerns.

I. TWO FRONTS CONVERGE: DATABASE PROVIDERS AND USERS

Like the Industrial Revolution of the late 1800s, the technological innovation of the 1990s has forever changed the way people live their lives. The pace of technology development has increased the speed of communication and rate of information dissemination throughout our nation and the world.

Increasingly, the information available in the Digital Age involves computer databases. Database providers have benefited tremendously from the explosion in technology and achieved startling advancements in digital and information technology.⁵ To that end, database providers have made tremendous investments in collecting, assembling, and accessing information.⁶ These companies effectively provide important commercial data and information to users. Because of its financial interest, the database industry has been at the forefront of efforts to navigate this

² Id.
⁵ Although both the number of databases and the number of database producers have continued to expand since the Feist decision in 1991, the growth rates for both have slowed considerably in the years following the decision, a signal of dampened investment in the industry. Tyson & Sherry, supra note 1.
⁶ Tyson & Sherry, supra note 1.
technology storm as it rolls through the world economy, continually accumulating and organizing new information.

However, not all of the database industry is pleased with the expanded ability of potential competitors to download information from all over the world. Today, when valuable data is made available in electronic form, it becomes a target for rapid, inexpensive copying and manipulation. With the explosion of the Internet, the task of copying huge amounts of data has been simplified. Using readily available technology, competitors can copy entire databases, make minimal changes and then provide a "new" database to the world. From an economic point of view, all electronic databases have two things in common: "they are costly to produce, but they are easy to reproduce or copy." 

As database technology has improved, database owners and content providers assert that the laws protecting and promoting the economic value of databases have failed to advance at the same rate. The velocity of Internet development, combined with recent changes in the landscape of copyright law continue to undermine the database providers' ability to recover costs. Without better laws to protect databases, providers contend quality will deteriorate. Fewer companies will expend the time and money necessary to develop new, but unprotected, databases. If quality deteriorates, both the United States economy and innovative efforts in education and the sciences will suffer.

On the other hand, those opposed to stronger database protection, primarily database users, claim that database providers have not presented the evidence necessary to demonstrate a problem

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7 Id. The logistics of copying large blocks of information on or from the Internet or other sources will not be discussed in detail here.

8 Id. The authorization to copy and market slightly altered database information has been supported by the courts in *Feist Publications*, 499 U.S. at 340, and *Matthew Bender & Co. v. West Pub'g Co.*, 158 F.3d 674, 48 U.S.P.Q.2d (BNA) 1560 (2d Cir. 1998). These cases will be discussed in greater detail later.

9 Tyson & Sherry, supra note 1.

10 See U.S. COPYRIGHT OFFICE, REPORT ON LEGAL PROTECTION FOR DATABASES, (1997) (visited Mar. 22, 1999) <http://lcweb.loc.gov/copyright/ctpub/hr2652.html> (stating that in many circumstances there is no legal recourse for a database provider when the essence of the value of its database is taken without permission or compensation).


12 Id.
warranting legislative action. As evidenced by the thriving database industry, these opponents believe the existing legal, contractual, and technological protections are adequate. For these reasons, any new legislation must be carefully considered to avoid any unintended negative consequences, such as limited access or diminished quality of information.

The United States Supreme Court has taken notice of the sweeping changes in technology, noting that intellectual property "has developed in response to significant changes in technology." However, since the landmark case of *Feist Publications, Inc. v. Rural Telephone Service Co.* in 1991, the storm of new technology has been bearing down on a significant portion of the database industry.

In response, the industry has been working to push through Congress a database protection bill that increases the protection of database providers. The bill favored by database providers would create a new form of intellectual property right enabling database owners to prevent copying of compiled information. Database users agree that legislation may be necessary, but prefer an approach based on the codification of state misappropriation laws.

II. PREDICTING THE STORM: THE DEMISE OF SWEAT-OF-THE-BROW PROTECTION

The decision that shifted the balance of power away from database providers was *Feist Publications*, a 1991 Supreme Court

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13 *Id.* There are several opponents of increased database protection including groups representing the sciences and academia. Some examples include the American Association for the Advancement of Science, the Library of Congress, the National Academy of Sciences, the National Academy of Engineering, and the Institute of Medicine. *Id.* at n.19.

14 *Tyson & Sherry*, *supra* note 1 (demonstrating that from 1979 to 1997 the number of database producers has grown from 221 to 2,312).

15 *Id.*


18 *See, e.g., 144 CONG. REC. E1052, supra* note 4 (discussing Congressional debate regarding database protection legislation).

In that case, the Supreme Court decided that a compilation of information that did not meet the constitutional requirement of a minimal spark of creativity could not be protected by copyright. Before the *Feist Publications* case, a compilation could qualify for copyright protection under the sweat-of-the-brow doctrine. If a compiler expended the time and effort necessary to collect and arrange information, copyright law would sometimes recognize the effort even if no “spark” of creativity existed.

The development of the Internet in the years following *Feist* has increased the debate surrounding protection of factual compilations. The Internet makes it easy to copy and reuse a compilation of facts, whether it be a listing of phone numbers and addresses found on PeopleSeek® or the case reports available through West Publishing and LEXIS-NEXIS. Today, personal computers and the increased sophistication of their users have simplified the task of duplicating and transmitting gigantic databases to the point that additional protection seems necessary. The continuing debate concerns what form this protection should take.

**A. FEIST PUBLICATIONS, INC. V. RURAL TELEPHONE SERVICE, CO.: THE UNITED STATES SUPREME COURT SETS ITS COURSE**

Copyright laws are promulgated under Article I, Section 8 of the United States Constitution. This section provides that Congress shall have the power to “promote the Progress of Science and useful Arts, by securing for limited times to authors and Inventors the exclusive Right to their respective Writings and Discoveries.” Some form of protection has always been considered necessary to spur innovation, creativity, and economic progress.

However, a fundamental principle of copyright protection has always been that mere facts are not protectable. A database

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21 Id. at 345.
22 Id. at 352.
23 See, e.g., *Jeweler’s Circular Publ’g Co. v. Keystone Publ’g Co.*, 281 F. 83, 93 (2d Cir. 1922), cert. denied, 259 U.S. 581 (1922) (establishing the sweat-of-the-brow rule, which was observed until the 1991 *Feist Publications* decision).
24 U.S. CONST. art. 1, § 8, cl. 8.
25 Id.
26 *Feist Publications, Inc.*, 499 U.S. at 344.
by definition is merely a compilation of facts. Accordingly, it follows that the content of databases would not be protected by existing copyright law.

In *Feist Publications, Inc. v. Rural Telephone Service Co.*, the Court stated that in order for copyright protection to be afforded to a database, three seemingly straightforward elements must be met. The work must include:

1. the collection and assembly of pre-existing material, facts, or data; 2. the selection, coordination, or arrangement of those materials; and 3. the creation, by virtue of the particular selection, coordination, or arrangement, of an “original” work of authorship.

The Court defined “original” as follows:

Original, as the term is used in copyright, means . . . the work was independently created by the author (as opposed to copied from other works), and that it possesses at least some minimal degree of creativity. To be sure, the requisite level of creativity is extremely low; even a slight amount will suffice. The vast majority of works make the grade quite easily, as they possess some creative spark, “no matter how crude, humble, or obvious” it might be.

Prior to *Feist Publications*, courts defined “original” more simply. A work was “original” if it was the product of the author’s own

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27 *RANDOM HOUSE DICTIONARY OF THE ENGLISH LANGUAGE* 508 (2d ed. 1987). “Data” is defined as “individual facts, statistics, or items of information” and a “database” is defined as a “comprehensive collection of related data organized for convenient access, generally in a computer.” *Id.*

28 17 U.S.C. § 101 (1994). “A ‘compilation’ is a work formed by the collection and assembling of preexisting materials or of data that are selected, coordinated, or arranged in such a way that the resulting work as a whole constitutes an original work of authorship.” *Id.*

29 *Feist Publications, Inc.*, 499 U.S. at 357.

30 *Id.* at 345 (citing 1 M. NIMMER & D. NIMMER, COPYRIGHT §§ 2.01[A], [B] & 1.08[C][1] (1990)).
mind, without reference to prior works. 31

In *Feist Publications*, the Court plainly stated on numerous occasions that "[o]riginality is a constitutional requirement" in obtaining copyright protection under the Intellectual Property Clause. 32 Such statements confirm that the Court's decision in *Feist Publications* was founded upon a constitutional judgment and not merely statutory interpretation.

B. WHAT HAPPENED IN FEIST?

*Feist* concerned the interaction of two well-established propositions. The first is that "facts are not copyrightable; [the] other [is], that compilations of facts generally are." 33 In *Feist*, the Rural Telephone Service had obtained the local telephone service franchise for certain towns in Kansas. 34 As an added feature to providing local telephone service, Rural published a directory alphabetically listing all telephone subscribers in those towns. 35 Feist Publications published telephone directories covering a similar, but not identical, geographic territory. 36

Rural refused Feist's request to reproduce Rural's listings in Feist's somewhat different directory. 37 Despite the refusal, Feist used Rural's directory as a source of information as it gathered directory listings for its own compilation. 38 The lower courts found that Feist had infringed on Rural's copyright, relying on prior case law protecting telephone directories from being copied. 39 However, the Supreme Court granted certiorari to determine the proper scope of copyright protection and reversed on the ground

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31 See, e.g., Sheldon v. Metro-Goldwyn Pictures Corp., 81 F.2d 49, 28 U.S.P.Q. (BNA) 330 (2d Cir. 1936) (defining "original" prior to *Feist Publications*).
32 499 U.S. at 346 (stating that "[a]s a constitutional matter," copyright protection requires "more than a de minimis quantum of creativity").
33 *Feist Publications, Inc.*, 499 U.S. at 344.
34 Id. at 342.
35 Id.
36 Id. at 343.
37 Id.
that Rural's white pages directory was not protectable under copyright law at all—the sweat of their brow was irrelevant. 40

Most commentators agree that Feist answered two material questions about protection for databases and compilations. 41 First, whether the compilation or database is copyrightable, and, second, if they are indeed copyrightable, by what standard must an owner prove infringement. 42

1. The Post-Feist Landscape: Assessing the Damage to Database Providers. Prior to Feist, databases could be selected, coordinated and arranged with a minimal level of creativity and still satisfy the constitutional copyright originality requirement. 43 The Feist test for copyright infringement examined the similarity between the original work and the later work. 44 According to Feist, "a subsequent compiler remains free to use the facts contained in another's publication to aid in preparing a competing work, so long as the competing work does not feature the same selection and arrangement." 45 Copying of data does not constitute infringement if the selection and arrangement in the subsequent work is not substantially similar to the selection and arrangement in the original work. 46 As was the case with the directory listing in Feist, even a significant overlap in the selection or arrangement may be excused if the subsequent database was created through the independent, subjective judgment of the compiler. 47

The Feist approach was in conflict with circuit court decisions which had previously held that any substantial taking from a copyrightable compilation constituted an infringement, requiring a subsequent compiler to independently collect material for a

43 Id. at 345.
44 Id. at 345.
45 Id. at 349.
46 Id. at 349.
47 Feist Publications, Inc. 499 U.S. at 361.
competing compilation.\textsuperscript{48}

The \textit{Feist} decision began the slide down a slippery slope of deteriorating protection for database providers. Subsequent court decisions gradually created an analytical structure which has been followed with some consistency. One commentator summarized the structure as follows:

1. The mere amassing of data, even if with innovative technique, is not copyrightable;
2. What makes a compilation of data copyrightable is the selection, coordination, or arrangement of those data. Without at least one of these elements no database will be copyrightable.
3. The selection or arrangement needed to secure a copyright must not only be original but also "creative".
4. Selection and arrangement must have an element of subjectivity they must embody the judgment of the compiler.
5. Selection and arrangement can occur at either the "macro" level or the "micro" level;
6. Selection or arrangement will not be protected to the extent that the resulting database has functional utility.
7. Selection and arrangement at the macro level must be closely scrutinized for "merger" of idea and expression.
8. Infringement of a database will be judged by comparing the selection or arrangement of the two works, not the data themselves. Copying of data is not an infringement if the selection and arrangement in defendant's work are not substantially similar to the selection and arrangement in plaintiff's work.\textsuperscript{49}

\textsuperscript{48} See, e.g., Jeweler's Circular Publ'g Co. v. Keystone Publ'g Co., 281 F. 83, 93 (2d Cir. 1922) (stating that copyright was a reward for the hard work that went into compiling facts, the classic formulation of the sweat-of-the-brow rule).

This framework reasonably and fairly accurately portrays the general backdrop against which recent legislative efforts have been proposed.

Perhaps the damage done by the *Feist* decision and the need for new legislation are best explained by the dissenting opinion of Judge Hatchet in *BellSouth Advertising & Publishing Corp. v. Donnelley Info. Publishing, Inc.*, where he stated:

The majority's holding establishes a rule of law that transforms the multi-billion dollar classified publishing industry from a business requiring the production of a useful directory based on multiple layers of creative decision-making, into a business requiring no more than a successful race to a data processing agency to copy another publisher's copyrighted work product.\(^{50}\)

The opinion reflects the concerns of the database industry and those concerns are at the foundation of recent calls for a legislative overruling of the *Feist* decision.\(^{51}\)

2. *A Closer Look at the Damage: The Problems with Feist.* *Feist* created two significant problems for the database industry. First, a database could qualify for copyright protection only if the information it contained was selected, coordinated or arranged originally.\(^{52}\) Second, database producers attempting to meet the growing market demand for comprehensive collections of information may never achieve the originality standard in some circuits.\(^{53}\)

\(^{50}\) *Bellsouth Adver. & Publ'g Corp. v. Donnelley Info. Publ'g, Inc.*, 999 F.2d 1436, 1471, 28 U.S.P.Q.2d (BNA) 1001, 1009 (11th Cir. 1993), (Hatchet, J. dissenting) (holding that the competitor copied no original element of selection, coordination, or arrangement by copying name, address, telephone number, business type, and unit of advertisement for each listing in publisher's directory).

\(^{51}\) To date, two bills have been debated with no success, Housebill 3531 (in the 104th Congress) and Housebill 2652 (in the 105th Congress).

\(^{52}\) *Feist Publications, Inc.*, 499 U.S. at 349.

\(^{53}\) Information Industry Association, *The Collections of Information Antipiracy Act: Hearings on H.R. 2652 Before the Subcomm. on Courts and Intellectual Property of the House Comm. on the Judiciary* (1997), (visited Jan. 4, 1999) <http://www.infoindustry.org/ppgrc/doclibgrdoc017.htm>. The IIA is a thirty-year old trade association representing all sectors of the information industry. Member companies include organizations, both large and small, that create, manage and distribute information products and services. *Id.*
Not only is the information in [these] works freely available for copying, but under decisions of some courts of appeals their method of organization—and even their entire product—may also be replicated with abandon by others, including unscrupulous competitors looking to make a quick profit by reaping where they have not sown. 54

Under *Feist*, if a company compiles a database of United States Supreme Court opinions, for example, anyone with access to the database may copy the data without fear of copyright infringement liability. 55 Even if the database compiler conceives an original way to select, coordinate and arrange its data, individual items remain susceptible to the free-riding of subsequent compilers. 56

III. THE NEED FOR LEGISLATIVE NAVIGATION: TWO CASES

Historically, two cases have been cited to demonstrate the need for legislative protection from opportunistic competitors. These cases are *ProCD, Inc. v. Zeidenberg* 57 and *Warren Publishing, Inc. v. Microdos Data Corp.* 58

In *ProCD, Inc. v. Zeidenberg*, the defendant took a CD-ROM database of telephone numbers and other facts and made it available, for a fee, over the Internet. 59 In that case, the CD-ROM producer was able to prevent unlimited use based on shrink-wrap

54 Id.
55 Matthew Bender & Co. v. West Publ'g Co., 158 F.3d 674, 48 U.S.P.Q.2d (BNA) 1560 (2d Cir. 1998); Matthew Bender & Co. v. West Publ'g Co., 158 F.3d 693, 48 U.S.P.Q.2d (BNA) 1545 (2d Cir. 1998); see discussion infra section IV (denying database protection to West Publishing).
58 Warren Publ'g, Inc. v. Microdos Data Corp., 115 F.3d 1509, 43 U.S.P.Q.2d (BNA) 1065 (11th Cir. 1997).
59 *ProCD, Inc.*, 86 F.3d at 1447.
license terms prohibiting commercial use of the database. However, no protection was granted under copyright law.

In Warren Publishing, Inc. v. Microdos Data Corp., the database producer was not successful in obtaining protection. Warren published the "Television & Cable Factbook," a directory of information about U.S. cable television systems. The defendant marketed a computer software package that also contained information about cable systems. Warren asserted that the software package infringed the copyright in its factbook. However, the court ruled that the compilation was not entitled to copyright protection because it lacked sufficient creativity. Proponents of database protection legislation often point to Warren Publishing as justification for new legislation.

Opponents of comprehensive new legislation fear that the creation of additional protection for databases will eliminate, or at least restrict, the copyright doctrine of fair use. Database producers would be able to restrict access to information that currently is in the public domain, which would increase the cost of research and create a disincentive to create value-added products.

The concern over copyrighting information currently in the public domain, specifically judicial decisions, was recently addressed by the United States Court of Appeals for the Second Circuit in two related cases, decided under the watchful eyes of the 105th Congress and the database industry.

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60 Id. Shrink-wrap licensing agreements are unlike a typical purchase and sale agreement in that the licensee merely purchases the right to use the product and ownership of the product involved remains in the licensor. John Tessensohn, The Devil's in the Details: The Quest for Legal Protection of Computer Databases and the Collections of Information Act, H.R. 2652, 38 IDEA: J.L. & TECH. 439, 453 (1998). Unfortunately, several cases have held that shrink-wrap licenses are not enforceable and their viability as an additional form of protection is uncertain. Id. at 454.

61 Warren Publ'g, Inc. v. Microdos Data Corp., 115 F.3d 1509, 43 U.S.P.Q.2d (BNA) 1065 (11th Cir. 1997).

62 Id. at 1511.

63 Id. at 1512.

64 Id. at 1513.

65 Id. at 1520.

66 INFORMATION INDUSTRY ASSOCIATION, supra note 53, at 7-8.

67 INFORMATION INDUSTRY ASSOCIATION, supra note 53.
IV. A TURN FOR THE WORSE: 

MATTHEW BENDER & CO. V. WEST PUBLISHING CO.

Nowhere in the recent past have the opposing views in this database debate been so clearly evidenced as in *Matthew Bender & Co. v. West Publishing Co.*, two Second Circuit decisions, which were consolidated and handed down on November 3, 1998.  

In the first of the *West Publishing* cases, the lower court ruled that the case law content in West's Federal Reporters and Supreme Court Reporters books were facts and, therefore, not copyrightable.  

West publishes compilations of judicial opinions ("case reports"). In this case, Hyperlaw, Inc., a publisher of CD-ROM compilations of United States Supreme Court and United States Courts of Appeals decisions, intervened as plaintiff, seeking a judgment that individual West case reports, after redaction of certain alterations (i.e., the independently composed features), did not contain copyrightable material. The Court of Appeals, consistent with *Feist Publications*, stated that the only elements of a work that are entitled to copyright protection are those that are original, and the constitutionally mandated originality standard required both that the work result from independent creation and that the author demonstrate that such creation entailed a modicum of creativity. The court held that the addition of factual information to the text of the opinions, including parallel citations to

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68 Matthew Bender & Co. v. West Publ'g Co., 158 F.3d 674, 48 U.S.P.Q.2d (BNA) 1560 (2d Cir. 1998); Matthew Bender & Co. v. West Publ'g Co., 158 F.3d 693, 48 U.S.P.Q.2d (BNA) 1545 (2d Cir. 1998).

69 West Publ'g Co., 158 F.3d at 678.

70 Id. at 677. Each case report consists of the text of the judicial opinion with enhancements that are either independently composed features, such as a syllabus (which digest and heralds the opinion's general holding), headnotes (which summarize the specific points of law recited in each opinion), and key numbers (which categorize points of law into different legal topics and subtopics), or additions of factual information to the text of the opinions (including parallel citations to cases, attorney information, and data on subsequent procedural history). Id. at 677; West Group, with $1.4 billion in 1997 sales and some 8,000 employees, is among the preeminent providers of information in the United States database market. Headquartered in Eagan, Minnesota, West Group is a division of The Thomson Corporation (TSE. TOC) and was formed when West Publishing and Thomson Legal Publishing merged in 1996. West: Thomson's West Group Sharpens Focus on Europe, Jan. 28, 1999 available in 1999 WL 7551513.

71 West Publ'g, Co., 158 F.3d at 677.

72 Id. at 681.
cases, attorney information, and data on subsequent procedural history, did not meet this test.\textsuperscript{73}

In the second \textit{West Publishing} case, West’s star-pagination system was determined not unique enough to be copyrightable under the \textit{Feist} reasoning.\textsuperscript{74} In that case, the Second Circuit stated that Hyperlaw’s use of West Publishing’s star-pagination in its CD-ROM discs did not amount to an infringement, despite the fact a user of the Hyperlaw CD-ROM could manipulate data on disc and re-sequence the copied cases into the publisher’s original arrangement.\textsuperscript{75} The majority argued that the only advantage of including the star-pagination was that the user of the Hyperlaw CD-ROM could locate particular text, by page number, in West Publishing’s printed compilation of such opinions.\textsuperscript{76} However, because the copied cases fixed by Hyperlaw in its copied CD-ROM medium did not use West Publishing’s particular arrangement, the Second Circuit held that no protection was warranted.\textsuperscript{77} The court decided that, without some manipulation by the end user of the CD-ROM, the two products were not substantially similar as required by the \textit{Feist} infringement test.\textsuperscript{78}

It should be noted that each of the Second Circuit’s West Publishing decisions were issued against a strong dissent. Regarding the protection of additional factual information supplied by West, the dissent by Judge Sweet noted that West’s annotations should not fall into the narrow category of works which are not copyrightable.\textsuperscript{79} The dissent stated:

\begin{quote}
The fact that federal judges publish written opinions differently than West is sufficient reason to conclude that West’s version requires some “thought” and is sufficiently “creative” to satisfy the modicum neces-
\end{quote}

\begin{itemize}
\item \textsuperscript{73} Id. at 689.
\item \textsuperscript{74} West Publ’g Co., 158 F.3d at 699-700.
\item \textsuperscript{75} Id. at 702.
\item \textsuperscript{76} Id.
\item \textsuperscript{77} Id. at 708.
\item \textsuperscript{78} Id. at 704; see \textit{Feist Publications, Inc.}, 499 U.S. at 349 (holding there is no infringement unless the copied work “feature[s] the same selection and arrangement” as the original compilation).
\item \textsuperscript{79} West Publ’g Co., 158 F.3d at 691.
\end{itemize}
In dissenting from the star-pagination case, Judge Sweet argued that by characterizing star pagination as a fact, rather than an essential part of an original selection or arrangement, the majority was in error.\(^{80}\) Allowing plaintiffs to use the page numbers contained in West's publications enabled them to re-create West's same selection and arrangement—a considerable benefit to the end user.\(^{82}\) Indeed, "were it not for the ability to reproduce West's arrangement, its pagination would be of limited (if any) use."\(^{83}\) Unfortunately for West Publishing and the database publication industry, the dissent failed in its attempt to convince the Second Circuit that the cumulative and collective originality manifest in West's case reports satisfied the de minimis level needed to provide copyright protection to the compilation as a whole.

The impact of these two rulings on West Publishing and the database industry is substantial. The decisions by the Second Circuit Court of Appeals in New York to uphold the previous rulings in the copyright cases of West Publishing represented a significant defeat in West Group's struggle to gain copyright protection for its case law documents. These cases allow competing publishers, like HyperLaw, to copy West's court opinions for the first time, provided headnotes and editorial commentary are

\(^{80}\) Id. at 691; cf. *Feist Publications, Inc.*, 499 U.S. at 362-63 (concluding "originality" is test for copyright protection).

\(^{81}\) *West Publ'g Co.*, 158 F.3d at 709.

\(^{82}\) Id. The dissent also noted that it should be irrelevant that a copied CD-ROM can display more than one arrangement and that the CD-ROM may contain material beyond West's selection and arrangement. *Id.*

\(^{83}\) *Id.*
omitted. In these decisions, duplicating publishers won the right to incorporate the work of other database providers into any medium, including online and Web-based services, which they may resell at a profit. In the future, publishers won't have to undertake the time consuming task of data collection and may piggy-back off the work of first compilers like West Publishing. These decisions signal a clear reinforcement of the *Feist Publications* conclusion that "originality, not 'sweat of the brow,' is the touchstone of copyright protection in directories and other fact-based works."

The unlimited duplication of compilations authorized by the decisions in the *West Publishing* cases is representative of the problem for companies in the multi-billion dollar database industry. Original compilers, like West Publishing, insist that additional, legislative protection is necessary to protect their sizeable financial investment in compiling and marketing these databases. They complain these legal setbacks have adversely affected their stock prices and their decisions to invest in production of vulnerable databases.

V. CHARTING A LEGISLATIVE COURSE THROUGH THE STORM: SPECIAL INTERESTS AND THE COLLECTIONS OF INFORMATION ANTIPIRACY ACT

Since 1991, legislative attempts supported by the database industry have failed to alter the analytical framework resulting from *Feist*. Furthermore, court decisions up to and including the *West Publishing* cases have granted little relief. The Collections of Information Antipiracy Act was the most recent legislation considered by Congress in a failed attempt to right the wrongs done to the database industry in *Feist*.

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84 *West Publ'g Co.*, 158 F.3d at 674.
85 Id.
86 Id.
87 *Feist Publications, Inc.*, 499 U.S. at 359-60.
88 Tyson & Sherry, *supra* note 1, at 6.
89 See David C. Johnston, *West Publishing Loses a Decision On Copyright*, N.Y. TIMES, May 21, 1997, at D5 (noting that the decision would likely drive down the price of legal research).
After its introduction to the House of Representatives on October 23, 1997, the Collections of Information Antipiracy Act was criticized as "stealth legislation favoring publishers of judicial opinions." Critics claimed the actual purpose of the bill was to enable such commercial database producers as West Publishing and Lexis-Nexis to maintain a monopoly in the publishing of legal decisions and opinions. However, those in favor of the Collections of Information Antipiracy Act claimed the proposed legislation would preclude others from copying database information, removing any proprietary information, and then selling it as their own.

An exchange between Subcommittee Chairman Howard Coble and Alan D. Sugarman, President of HyperLaw, Inc., during the opening debate on the Collections of Information Antipiracy Act reflects both the intensity and the disparity of the views involved:

SUGARMAN: The subcommittee proposes to toss 200 years of copyright law and principles out the window in order to serve special interests. The raison d'être for this bill is to protect the case reports of West Publishing and LEXIS.

COBLE: The raison d'être is to protect information in the information age . . . [and] there is nothing secret about what the committee has been doing. It has approached the subject in a deliberate, thorough,

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91 Database Anti-Piracy Measure Criticized as Sweetheart Legislation for Law Publishers, BNA PATENT TRADEMARK & COPYRIGHT DAILY, October 27, 1997 PTD d2. Chairman of the House Judiciary Subcommittee on Courts and Intellectual Property, Howard Coble (R-NC), opened the hearing by addressing a "flurry of misinformation and rumor-mongering" that alleged the bill was on the "fast-track" due to the influence of database providers. Id.

92 Id.

93 Id. As evidenced by the West Publishing cases, proponents of H.R. 2652 were unlikely to find further protection of their compilation efforts through the courts. See, e.g., Matthew Bender & Co. v. West Pub'l Co., 158 F.3d 674, 48 U.S.P.Q.2d (BNA) 1560 (2d Cir. 1998) (upholding a declaratory judgment in favor of Hyperlaw, stating that the elements of West's case reports that Hyperlaw sought to copy did not contain a sufficient amount of creativity or originality to warrant copyright protection).

94 Alan D. Sugarman, President of Hyperlaw, Inc., continues to be a visible and vocal figure in the debate over H.R. 2652. His company, Hyperlaw, Inc., successfully fought West Publishing in the Second Circuit and earned the right to duplicate judicial opinions from the West legal database.

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The *Matthew Bender & Co. v. West Publishing Co.* cases were decided while much of the debate concerning database protection legislation raged on, providing further evidence of the need for database providers to expedite the passage of some greater form of protective legislation.

As proposed, the Collections of Information Antipiracy Act imposed liability on

[a]ny person who extracts, or uses in commerce, all or a substantial part . . . of a collection of information gathered, organized, or maintained by another person through the investment of substantial monetary or other resources, so as to cause harm to the actual or potential market of that other person . . . for a product or service that incorporates that collection of information and is offered . . . in commerce by that other person. 96

In Section 1203, the drafters of the Collections of Information Antipiracy Act attempted to preempt critics by outlining the following permitted acts or exceptions which were not prohibited under the bill:

(a) Extraction . . . of an individual item of information, or other insubstantial part of a collection of information, in itself;
(b) [G]athering . . . information obtained by means other than extracting it from a collection of information gathered . . . by another person through the investment of substantial monetary or other resources;
(c) [E]xtracting . . . information within any entity or

96 H.R. 2652, 105th Cong. at § 1202 (1997).
organization, for the sole purpose of verifying the accuracy of information independently gathered . . . by that person;
(d) [E]xtracting . . . information for nonprofit educational, scientific, or research purposes in a manner that does not harm the actual or potential market for the product or service referred to in section 1201;
(e) [E]xtracting or using information for the sole purpose of news reporting.
(f) Transfer[ing] . . . a particular lawfully made copy of all or part of a collection of information.97

Furthermore, section 1204 of the bill passed by the House provided a broad exemption for federal, state, and local government databases.98 The bill also provided for various civil and criminal penalties.99

Thus, the Collections of Information Antipiracy Act proactively provided for the type of exceptions and privileges sought by database users. However, the enumerated exceptions did not completely remove the suspicion of many in the database community that the proposed bill was "sweetheart legislation for law publishers."100 Representative Coble countered allegations that the bill was on the fast track due to the influence of the database industry, specifically West Group and Lexis. Nonetheless, the Collections of Information Antipiracy Act sped through the House of Representatives and, after extensive debate, was passed on May 19, 1998. However, the Senate put on the brakes.

97 Id. § 1203.
98 H.R. 2652, § 1204 provided that "[p]rotection . . . shall not extend to collections of information gathered . . . by or for a government entity, whether Federal, State, or local . . . or by a Federal or State educational institution in the course of engaging in education or scholarship." H.R. 2652, § 1204.
99 Id. §§ 1206-1207. Applicable civil remedies included injunctive relief, impoundment, and monetary relief (including damages and attorney's fees). Criminal penalties included fines, ranging from $250,000 to $500,000, and imprisonment of five to ten years.
100 Database Antipiracy Measure Criticized as Sweetheart Legislation for Law Publishers, supra note 91. Critics claimed the bill's actual purpose was to "enable such commercial database producers as West Publishing and Lexis to maintain a monopoly in the publishing of legal decisions and opinions." Id.
VI. DATABASE LEGISLATION BLOWN AWAY DURING THE 105TH CONGRESS

The Collections of Information Antipiracy Act passed the House of Representatives on May 19, 1998 as a stand-alone bill and was later added to a bill implementing two international copyright treaties. However, before the Senate passed that bill, it eliminated the database protection provisions provided by the Collections of Information Antipiracy Act.

No agreement was reached on database protection in the enacted measure and no new proposals were forwarded prior to the close of the 105th Congress.

VII. THE 106TH CONGRESS: WHICH COURSE WILL IT TAKE?

Database providers and users agree that during the 106th Congress, database protection legislation, in some form, will be a priority. Congress will again try to determine if database producers need protection for their products in addition to that provided by existing copyright law.

To date, two general legislative approaches have been discussed either formally or informally. Under the first approach, favored by database providers and similar to the Collections of Information Antipiracy Act, a federal statute would provide a comprehensive protection scheme with exceptions for special groups like libraries and researchers. Under the second approach, a statute would provide a limited misappropriation tort cause of action prohibiting

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102 H.R. 2281, 105th Cong. (1998). The relevant portions of H.R. 2652 were incorporated into H.R. 2281 in Article V. Prior to Senate passage of H.R. 2281, all of Article V was eliminated.
103 Id. This Act did not include the relevant portion of H.R. 2652 which was passed in the House in Spring 1998.
105 H.R. 2652 included classes of exceptions which limit the protection given to database providers; see H.R. 2652, 105th Cong. § 1203 (1998) (enumerating these exceptions).
commercial database piracy. While both courses have their problems, constitutional concerns surrounding a comprehensive approach will continue to impede the efforts of database providers.

A. CRITICISMS OF THE COMPREHENSIVE LEGISLATION APPROACH:
EXECUTIVE AGENCIES VOICE CONCERNS OVER THE COLLECTIONS OF INFORMATION ANTIPIRACY ACT

While the House and Senate were drafting and debating acceptable legislation, the Department of Justice (DOJ) and the Federal Trade Commission (FTC) were doing some work of their own. The DOJ raised concerns about the constitutionality of database protection legislation, while the FTC questioned the effect such legislation might have on incentives to create products based on databases.

In a July 28, 1998 memorandum, The DOJ questioned the constitutionality of the Collections of Information Antipiracy Act. Primarily, it said that the Intellectual Property Clause of the Constitution probably does not grant Congress the authority to pass such a bill to the extent that it attempts to provide protection for factual material. The Department of Justice based this position on U.S. Supreme Court precedent in *Feist Publications.* In *Feist Publications,* the Court plainly stated on numerous occasions that “originality is a constitutional requirement” in obtaining copyright protection under the Intellectual Property Clause.

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106 A proposal forwarded by the Information Technology Association of America is an example of the misappropriation approach. See Information Technology Association of America (ITAA), Draft Alternative to H.R. 2652 (visited Jan. 4, 1999) <http://www.itaa.org/dbdraft.html>.


109 Treanor, supra note 107.

110 Id.

Such statements confirm that the Court in *Feist Publications* founded its decision upon a constitutional judgement and not merely statutory interpretation.

The DOJ and other commentators found fault with the definitions in the Collections of Information Antipiracy Act, specifically the broad definition of a "collection of information". Because the proposed bill would clearly provide protection for these "collections" and because it would define "information" very broadly, it would appear to allow protection for the type of non-creative listing at issue in *Feist Publications*. Such broad terminology would go well beyond the thin protection provided for compilations in the *Feist Publications* decision. Therefore, the DOJ concluded:

[T]o the extent that the proposed bill would attempt to provide protection, pursuant to the Intellectual Property Clause rather than some other power, to the very type of unoriginal factual materials that were at issue in Feist, it would run afoul of recent Supreme Court precedent that is, if not binding, at a minimum a clear indication of how the Court would likely rule [in interpreting a challenge to protection under the Collections of Information Anti-Piracy Act].

However, in passing the Collections of Information Anti-Piracy Act the House of Representatives attempted to sidestep the constitutional hurdle presented by the "originality" requirement of the Intellectual Property Clause by asserting that it relied on its power

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112 Information is defined in H.R. 2652 as "facts, data, works of authorship, or any other intangible material capable of being collected and organized in a systematic way". A "collection of information" is defined as "information that has been collected and has been organized for the purpose of bringing discrete items of information together in one place or through one source so that users may access them". H.R. 2652, 105th Cong. § 1201(1)-(2) (1998). See John Tessensohn, *The Devil's in the Details: The Quest for Legal Protection of Computer Databases and the Collections of Information Act*, H.R. 2652, 38 IDEA: J.L. & TECH. 439, 471-72 ("basically, anything could be defined as a collection of information ... by this black hole-like definition").

113 *Feist Publications, Inc.*, 499 U.S. at 349.

114 Treanor, *supra* note 107.
under the Interstate Commerce Clause of the Constitution, Article I, Section 8, Clause 3, as the basis for its action.\textsuperscript{115}

Whether constitutional concerns would preclude legislation in this area under the Commerce Clause is unclear. "[I]t is fair to say, however, ... the First Amendment may impose limitations on the exercise of congressional power under the Commerce Clause that would raise serious constitutional concerns regarding the constitutionality of [the Collections of Information Antipiracy Act]."\textsuperscript{116} Since the landmark decision of \textit{New York Times, Co. v. Sullivan}, one of the principal goals of the First Amendment has been "to secure the widest possible dissemination of information from diverse and antagonistic sources".\textsuperscript{117} The passage of a comprehensive bill providing extensive protection to factual compilations would be contrary to this goal.

As proposed, the Collections of Information Antipiracy Act would have required users to expend considerable, independent effort before accessing factual, public domain database information previously collected through equally great effort.\textsuperscript{118} The protection proposed by H.R. 2652 would drastically limit the dissemination of information favored in \textit{Sullivan}. On this issue, the DOJ concluded that by protecting compilations of fact, the Collections of Information Antipiracy Act raised serious First Amendment concerns. Such a bill would "restrict the ability of persons to use and disseminate factual material that are [sic] not protected by copyright, and ... arguable[y] would do so even in circumstances where the copyright law would not protect creative expression".\textsuperscript{119}

Pursuant to these constitutional concerns, the DOJ made several recommendations to Congress. It stated that the best way to avoid any constitutional issues would be to limit the cause of action created to competitive misappropriation of time sensitive, or "hot news" information.\textsuperscript{120} The Supreme Court has recognized a valid cause of action for such a claim in \textit{International News Serv. v.}
The DOJ’s preference for a misappropriation approach to protection is consistent with a new user group proposal relying heavily upon the *National Basketball Association v. Motorola* case which will be discussed in detail later.

Without a limitation to “hot news,” the DOJ noted that the following changes might alleviate some of its constitutional concerns:

1. Require proof that the defendant is free-riding on the plaintiff’s efforts, that the defendant is a direct competitor, and that the ability of others to free-ride on the plaintiff’s efforts would so reduce the incentive to produce the product that its existence or quality would be threatened.
2. Limit the legislation to non-transformative uses and extractions by direct competitors.
3. Shorten the length of protection to the briefest period that would provide sufficient incentives for the data collector.

Implementation of some or all of these suggestions would represent a significant victory for those opposed to H.R. 2652-type legislation.

The FTC also raised concerns about the impact of the Collections of Information AntiPiracy Act (as incorporated in H.R. 2281) on incentives to create second-generation or complementary products. The FTC agreed that database producers should be protected from commercial piracy. However, it was concerned that the bill could have unintended negative effects on competition and innovation because of ambiguous language concerning the length

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121 International News Serv. v. Associated Press, 248 U.S. 215 (1918). This case involved the Associated Press (AP) and International News Service (INS), two wire services that transmitted news stories by wire to member newspapers. The Supreme Court held that INS misappropriated AP’s property by lifting factual stories from AP bulletins and wiring them to INS papers. *Id.* at 242.


123 Treanor, *supra* note 107.


125 Pitofsky, *supra* note 108.
of protection,\textsuperscript{126} the definition of "substantial,"\textsuperscript{127} and the definition of "potential market."\textsuperscript{128}

The proposal that the user communities are now trying to draft for the 106th Congress' consideration would seem to address many of the concerns raised by the DOJ and the FTC.

B. THE MISAPPROPRIATION APPROACH: PREVENTING COMMERCIAL PIRACY

Responding to the push by database providers for a bill creating a comprehensive protection scheme (like H.R. 2652), representatives of user communities are now working on drafting a narrower proposal based on state misappropriation law that goes to what they say is the heart of the matter—the commercial piracy of databases.\textsuperscript{129}

The current proposal of these users is similar to a bill introduced to the 105th Congress by the Information Technology Association of America (ITAA).\textsuperscript{130} The ITAA proposed a database protection law based in part on state law misappropriation principles.\textsuperscript{131} That proposal was designed to fill a gap in protection that seemed to exist because misappropriation laws were not uniform across the fifty states.\textsuperscript{132} The ITAA stepped into the debate over H.R. 2652 on behalf of for profit companies that both made and used databases but were skeptical about the need for such broad legislation.

\textsuperscript{126} H.R. 2281, 105th Cong. § 1308(c) (1998). The bill as passed by the House provided protection for fifteen years. Due to the rate of innovation, the FTC believed this term to be too long. Also, due to the constantly changing content of databases, each update may renew the term of protection resulting in a potentially perpetual term. Pitofsky, \textit{supra} note 108.

\textsuperscript{127} H.R. 2281, 105th Cong. § 1302 (1998). The FTC commented that there was no express definition of what constitutes the substantial part of a collection of information which would be protected under the bill. Pitofsky, \textit{supra} note 108.

\textsuperscript{128} H.R. 2281, 105th Cong. § 1301(3) (1998). "Potential Market" was defined in the bill as "any market that a person . . . has current and demonstrable plans to exploit or that is commonly exploited by persons offering similar products or services." \textit{Id}.

\textsuperscript{129} Information Industry Association, \textit{supra} note 53.

\textsuperscript{130} Information Technology Association of America (ITAA), \textit{Draft Alternative to H.R. 2652} (visited Jan. 4, 1999) <http://www.itaa.org/dbdraft.html>.

\textsuperscript{131} \textit{Id}.

\textsuperscript{132} See Information Industry Association, \textit{supra} note 53 (stating that "state misappropriation and unfair competition laws and judicial doctrines suffer inevitably from a lack of uniformity . . . In today's global information marketplace, such uniformity in law is particularly essential to the efficient operation of the database industry.").
Under the Collections of Information Antipiracy Act, anyone who extracted or used in commerce all or a substantial part of a collection of information, causing harm to the market for that product or service, would be liable to the producer of the collection of information.  

Under the ITAA proposal, a database provider would have a cause of action against any person who used information without authorization if these circumstances were proven:

1. the information was generated or gathered through a substantial investment of time or financial resources;
2. the unauthorized use competes directly in commerce with authorized products or services which make the information available to their users; and
3. the unauthorized use so reduces the incentive to make such authorized products or services that the existence or quality of such authorized products or services would be substantially threatened.

The prior proposal would set a three-year statute of limitations for any cause of action.  

The proposal now being forwarded for consideration by the 106th Congress follows the same idea underlying the ITAA's proposal. It would attempt to codify state misappropriation laws at the federal level.  

The new proposal is based on the United States Court of Appeals for the Second Circuit's 1997 decision in National Basketball Association v. Motorola. In that case, the National Basketball Association brought a copyright infringement action against

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134 Information Technology Association, supra note 19, at § 1.
135 Id. at § 8.
136 The new proposal has not yet been made available. Description of the proposal were obtained through comments of Dan Duncan, Vice-President of Government Relations for the Information Industry Association.
137 Information Technology Association of America (ITAA), supra note 19.
Motorola, the manufacturer and promoter of hand-held pagers that provided real-time information updates about professional basketball games. The court held that the information transmitted by Motorola to its pager customers did not constitute "hot news" and therefore, the National Basketball Association was denied copyright protection. The Second Circuit explained that a "hot news" claim is limited to cases where:

(i) a plaintiff generates or gathers information at a cost; (ii) the information is time-sensitive; (iii) a defendant's use of the information constitutes free riding on the plaintiff's efforts; (iv) the defendant is in direct competition with a product or service offered by the plaintiffs; and (v) the ability of other parties to free-ride on the efforts of the plaintiff would so reduce the incentive to produce the product or service that its existence or quality would be substantially threatened.

Adopting legislation which incorporates this "hot news" test would likely allow significant re-use of information by subsequent compilers.

The new proposal attempts to clear up any ambiguity created by terms used in previous proposals. For example, it uses the term "database" rather than "collections of information" and focuses on showing competition in commerce, lost sales, and commercial advantage rather than reduced incentives.

The IIA and the ITAA hope that the new proposal can serve as the basis for a politically expedient compromise. Ideally, Congress would consider the merits and demerits of both types of law, and identify how much protection is justified.

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139 Id. at 843. The operation of the pagers relied on a "data feed" from reporters who watch the games on television or listen to them on the radio. Id. at 844. Information concerning the score and time remaining was then relayed by modem to a satellite which emitted a signal updating each of the pagers. Id.

140 Id. at 843.

141 Id. at 845.

142 See Information Technology Association of America, supra note 19. No copy of the "new" proposal was available for review. Descriptions of the proposal were obtained through the referenced news article at note 104.
VIII. CONCLUSION: INCREASING INTENSITY IN THE FORECAST

The intensity of recent debate over these issues does not indicate a clear passage ahead. Most likely, unresolved issues from last term will resurface. Although both sides seem interested in reaching some resolution, the tone of the debate during the 105th Congress\(^\text{143}\) does not favor an easy reconciliation of these divergent interests.\(^\text{144}\)

The refuge sought from this technology storm through an agreement on database protection remains elusive. The lobbyists and the legislature will once again try to find a safe harbor for databases during the 106th Congress. Will this be the year the storm blows over? If so, will database providers or database copiers be left devastated? As the navigation efforts of the legislature resume, the skies darken once again.

RUSSELL G. NELSON

\(^{143}\) Id.

\(^{144}\) See Lucas, supra note 104 (quoting Dan Duncan, V.P. of Government Relations for the IIA, "We will be most interested to see if any new issues are raised. Otherwise, the issues are the same ones we have faced for over three years.").