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**PROBLEMS OF DATABASE  
PROTECTION  
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## **PROBLEMS OF DATABASE PROTECTION IN THE RUSSIAN FEDERATION<sup>2</sup>**

The *sui generis* database right was added to copyright protection of databases in the Russian legislation only in 2008. In December 2010, new draft amendments to the RF Civil Code were published, substantially developing this regulation. This article examines the position of the Russian Federation regarding regulation of databases in its historical development and compares it with the relevant regulation in the European Union. While the Russian Federation generally follows the European model, there are some important specific provisions in the Russian Federation that should be taken into account by database producers and database users.

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## **1. Introduction**

During recent years, the protection of databases has become one of the most important intellectual property problems in Russia. Public availability of information is vitally important for modern society. However, this availability should be supported by relevant legal regulation in order to protect the interests of database producers and authors. Due to Russia's situation of economic and legal reformation and mass copyright violation, it was historically not possible to provide adequate protection of databases, but this situation in Russia changed recently.

Databases first appeared in civil legislation as a specific object of regulation in the middle of the 1960s, when a number of countries (including the Nordic countries Denmark, Finland, Iceland, Norway and Sweden) established regulation of the so-called "catalogue protection" – the protection of collection of information items. Though the collection of data or information is not a new practice,<sup>3</sup> digital technologies have given databases a new life and shown that traditional copyright protection is not sufficient. With the advent of digital technologies, the volume of data that can be collected has increased dramatically<sup>4</sup>. At the same time, as mentioned by M. Davison: "The same technology that has expanded the role and usefulness of databases permits quick and easy reproduction of those databases or large parts of the data contained within them"<sup>5</sup>. Therefore, it is not surprising that while databases were first mentioned in the Russian legislation in 1991<sup>6</sup>, the stage when "non-original" databases received protection came only at the end of 2006<sup>7</sup>, when the need for strong protection of databases became evident for the database industry.

This article examines the position of the Russian Federation regarding the regulation of databases and compares it with relevant regulation in the European Union, focusing on suggestions made in December 2010 that may solve some problems in this area. While it is possible to say that the Russian Federation follows the European model, there are some important specific provisions in the Russian Federation laws that should be taken into account by database producers and database users.

## **2. Main problems of database protection**

During the development of new Russian legislation on intellectual property in 2006, the working group preparing IV Part of the RF Civil code identified the following problems with database legislation:

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<sup>3</sup> According to the information of the European Association of Directory and Database Publishers the first directory was published in 1677. Retrieved from <http://www.eadp.org/index.php?q=node/61>.

<sup>4</sup> For example, the database of the World Data Center for Meteorology is expanded by 224 gigabytes of new information every day that is equivalent to 72 million pages a day - Retrieved from <http://www.ncdc.noaa.gov/oa/about/whatisncdc.html>.

<sup>5</sup> Davison M.J. *The Legal Protection of Databases*, New-York, Cambridge University Press, 2005, p. 3.

<sup>6</sup> Sec. 2, Art. 134, the Fundamentals of the Civil Legislation of the Soviet Union and the Union Republics of 1991.

<sup>7</sup> Part IV of the Russian Federation Civil Code dedicated to protection of intellectual property was adopted on 18 December 2006 and came into force on 1 January 2008. Unfortunately, no complete and adequate English translation of this document is currently available via Internet.

- 1) The traditional definition of database creates some difficulties with respect to the assignment of rights to a database and allows authors of separate material included in the database to block some uses of the database as a whole;
- 2) Copyright protection is not sufficient for protection of modern databases;
- 3) Conditions of application of *sui generis* protection (for example, as implemented in the European Union) are quite vague and such regimes may be difficult to implement in Russia;
- 4) “Dual” (i.e. in the frameworks of copyright and *sui generis* right) protection of database may be detrimental to the interests of database users; and
- 5) Registration of databases is often not effective as a method of confirming database rights.

Instruments which might help abate these problems were introduced in Part IV of the RF Civil Code. However, it was soon decided that further development of regulation was necessary. In December 2010, draft amendments to Part IV of the RF Civil Code were published on the Internet<sup>8</sup>, including some important new provisions of database regulation. The experience of the European Union was actively used in preparing the new amendments, but in some respects it used new methods of solving these problems with database legislation.

### **3. Defects of the traditional definition of database**

According to Sec. 2, Art. 1260 of the RF Civil Code, a database is a collection of independent materials (articles, accounts, legal acts, judicial decisions, and other similar materials) presented in an objective form and systematized in such a manner that these materials may be found and processed with the aid of a computer. The same definition of a database contained in the RF Law “On Legal Protection of Computer Programs and Databases” which was replaced by Part IV of the RF Civil Code. In this respect, Russian legislation followed the general trend in the regulation of this area. For example, the House Report on the US Copyright Act 1976 says: “the term “literary works” does not connote any criterion of literary merit or qualitative value: it includes catalogues, directories, and similar factual, reference, or instructional works and compilations of data. It also includes computer databases and computer programs to the extent that they incorporate authorship in the programmers’s expression of original ideas, as distinguished from the ideas themselves”<sup>9</sup>.

The law does not define what “independent” means in this context. However, it is possible to suggest that “independence” means that relevant material should have “independent value”<sup>10</sup>, i.e. it may exist as a separate work in and outside the database (and retain the same

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<sup>8</sup> Retrieved from <http://gk.arbitr.ru/>

<sup>9</sup> H.R. Rep. No. 1476, 94th Cong, 2nd sess. 54 (1976).

<sup>10</sup> Kalyatin V.O., Kozir O.M., Korchagin A.D., et al. Commentary to the RF Civil Code, Part IV. // Under the

meaning) and be used separate from other materials included in the database (unlike elements of films)<sup>11</sup>.

This definition generally corresponds to relevant international agreements. For example, the Berne Convention in Sec. 5, Art. 2 includes in the list of “protected works” collections of works that constitute “intellectual creations by reason of the selection or arrangement of their content”. The Agreement on Trade-Related Aspects of Intellectual Property Rights (“TRIPS Agreement”)<sup>12</sup> provides for protection of compilations of data or other material, whether in machine readable or other form, which by reason of the selection or arrangement of their contents, constitute intellectual creations (Sec. 2, Art. 10). According to the World Intellectual Property Organisation Copyright Treaty of 1996, “compilations of data or other material, in any form, which by reason of the selection or arrangement of their contents constitute intellectual creations, are protected as such”<sup>13</sup>.

The Directive 96/9/EC of the European Parliament and of the Council of 11 March 1996 on the legal protection of databases<sup>14</sup> (“Database Directive”) also establishes that a database shall mean a collection of works, data or other independent materials arranged in a systematic or methodical way and capable of being individually accessed by electronic or other means<sup>15</sup>.

This definition of database is well known. But there is an issue that creates difficulties for developing legal regulations for complicated modern databases. This issue is the definition’s focus on the “works” rather than on its aggregation. Databases are more than an assortment of articles and documents; the act of collecting and processing such information gives these materials a new quality. Therefore, it is very important that a database is defined as a structured mass of information.

The complicated composition of a database has been discussed in literature. For example, A.B. Gelb argued that a computer database might contain the following elements: 1) data; 2) the structure of allocation of the data in computer memory<sup>16</sup>; 3) software which manages the database; 4) software that synthesizes new databases on the basis of existing ones. The author mentioned that the latter element was a combination of the other three and therefore should not be discussed separately from a legal point of view<sup>17</sup>.

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editorship of L. A. Trahtengertz, Moscow, Infra-M-Kontrakt, 2010/, p. 302.

<sup>11</sup> It is important note also that the RF Civil Code provides for protection of electronic databases only. Thus, all the old library databases will be protected only if they are in electronic, rather than paper form.

<sup>12</sup> Russia is currently not a member of this Agreement, however, Russia will join it before it becomes a member of the World Trade Organisation.

<sup>13</sup> Art. 5, the WIPO Copyright Treaty.

<sup>14</sup> Official Journal, L 077 , 27/03/1996 P. 0020 – 0028.

<sup>15</sup> Sec. 2, Art. 1 of the Database Directive.

<sup>16</sup> With reference to the current technology it is more appropriate to speak about the structure of a database.

<sup>17</sup> Gelb A.B. Some issues of legal protection of automated databases // Legal problems of programming, computers and inventive activity, Tartu, 1988, Issue 80, p. 50.

At the same time, the aforementioned documents declare that protection of a database shall be without prejudice to any copyright subsisting in the data or material itself<sup>18</sup>. Thus, there is a certain conflict between the rights and interests of the owners of the materials included in the database and the owners of the whole database. Database regulation must therefore balance the interests of many persons, including database authors and owners, and regulate this sphere in an integrated manner<sup>19</sup>.

In order to overcome this limitation of the traditional definition of database, it was suggested in the draft of December 2010 to directly apply the specific concept of “complicated object” to databases. Generally, the concept of a “complicated object” was initially implemented in Part IV of the RF Civil Code<sup>20</sup>. A complicated object contains other intellectual property items. Rights to a complicated object may be assigned as a whole, without reference to the items included in it. The Civil Code contains a number of presumptions in the interests of the owner of such a “complicated object”. For example, according to Art. 1240 of the RF Civil Code, if an item has been created specifically for this object, it is then presumed that the rights to such an item are assigned rather than licensed, if not otherwise provided for by the agreement. If a license agreement is concluded, it is presumed that the license is issued with respect to the whole territory and for the entire term of relevant rights<sup>21</sup>. The Civil Code also prohibits establishing any restrictions in such a license agreement for the use of the relevant item except for a limitation of the territory and the term<sup>22</sup>. Finally, no work which has been included in a complicated object may be “recalled” (i.e. the author may not recall his decision to make the work publicly available)<sup>23</sup>; however, taking into account the fact that the right to recall the work is never used in practice, this additional limitation of this right is nonessential. Such regulation helps to resolve two tasks: to facilitate circulation of rights to such objects and prevent certain unfair actions of the author of an item created for a complicated object.

Russian law applies the “complicated object” regime to an exhaustive list of objects: films or other audiovisual work, theatrical entertainment productions, multimedia work, and unified technology. There is little doubt that this list may be extended further, and the first candidate is the database. Draft amendments to Part IV of the RF Civil Code published in December 2010 include databases in the list of complicated objects.

We believe that this new suggestion may become one of the most remarkable developments of Russian database regulation. In this respect, it goes further than current EU

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<sup>18</sup> Russian law also states (Sec. 2, Art. 1334 of the RF Civil Code) that an exclusive right of a database producer is independent from any exclusive rights (if any) to the materials included in the database or to the database itself as a “composite work”.

<sup>19</sup> See Kalyatin V.O. Database as an object of complex legal regulation. // Topical issues of Russian private law. Collected works dedicated to professor V.A.Doziertsev’s 80th anniversary,. Moscow, Statut, p. 289-306.

<sup>20</sup> Art. 1240, the RF Civil Code.

<sup>21</sup> Sec. 1, Art. 1240, the RF Civil Code.

<sup>22</sup> Sec. 2, Art. 1240, the RF Civil Code.

<sup>23</sup> Art. 1269, the RF Civil Code.

legislation in this sphere. The model of “complicated object” fully complies with applicable international agreements, and it provides new possibilities for the protection of databases.

#### **4. Defects of copyright protection**

Like any object of copyright, a database will be protected by copyright only if it is a result of creative activity (in terms of selection of materials and their arrangement inside the database). Russian law does not say directly that a database should be original. However, the requirement of originality is used in practice<sup>24</sup>, and some authors essentially equate “creativity” and “originality”<sup>25</sup>. Thus, according to E.P. Gavrilov, creativity is a kind of human activity which leads to something fundamentally new, which may be characterized as singular, original and unique<sup>26</sup>. According to A.P. Sergeev, the creative character of the result, rather than the creative character of the activity, is important in copyright law<sup>27</sup>.

Russian copyright law allows foreign database owners the possibility of protection. Art. 1256 of the RF Civil Code establishes that exclusive rights may exist regarding the following works: 1) works which have been made publicly available in the territory of the Russian Federation or which have not been made publicly available in Russia, but exist in some objective form in the territory of the Russian Federation (regardless of the citizenship of their authors); 2) works which have been made publicly available outside the Russian Federation or which have not been made publicly available, but exist in some objective form outside the Russian Federation, if their authors are citizens of the Russian Federation (or their legal successors); or 3) works which have been made publicly available outside the Russian Federation or which have not been made publicly available, but exist in some objective form outside the Russian Federation and are recognized in accordance with international treaties of the Russian Federation on the territory of the Russian Federation for authors (or their legal successors) who are citizens of other states or persons without citizenship.

Russia is a member of the Berne Convention and the Universal Copyright Convention, and authors from most countries of the world will therefore be protected in Russia even if a database has not been officially made publicly available in the Russian Federation.

Except for the cases prohibited by the law<sup>28</sup>, there is an exclusive right to use work in any form and in any manner at one’s own discretion, therefore there is no exhaustive list of forms of use of intellectual property. At the same time, the law lists the most important forms of use of relevant IP. For example, Art. 1270 of the RF Civil Code lists the following forms of use of

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<sup>24</sup> For example, Decision of the Federal arbitration court of the North-West District of 27 December 1999 No. A13-3428/99-18; Decision of the Federal arbitration court of the North-West District of 10 December 2001 No. A56-16934/01 and other.

<sup>25</sup> For example, Corneev V.A. Computer programs, databases and topology of integrated microcircuits: grounds for copyright // *Zakonodatelstvo*, 2006 No. 11, p. 73-74.

<sup>26</sup> Gavrilov E.P. *Soviet Copyright. Fundamental Provisions. Developmental trends*, Moscow, Nauka, 1984, p. 83.

<sup>27</sup> Sergeev A.P. *Intellectual Property Law in the Russian Federation*, Moscow, Prospekt, 2004, p. 110.

<sup>28</sup> Sec. 1 of Art. 1229, the RF Civil Code.

objects of copyright (including databases): reproduction; distribution of a work by sale or other assignment of its original or copies; public display of a work; import of the original or copies of the work for the purpose of distribution; renting out the original or a copy of the work; public performance of the work; air broadcasting; cable broadcasting; translation or other development of the work; practical implementation of architectural, town-planning or park and garden projects; or communication to the public. All of these forms may be applicable to databases (except for practical implementation of an architectural, town-planning or park and garden project), but it is clear that some of them will be used very rarely.

Apparently, these extensive rights are more suitable for traditional copyright objects than for complicated objects with an informational nature, such as databases. Moreover, limitations of copyright are important not only for database users, but for the producer of the database itself, because databases may include numerous objects of copyright. Therefore, the system of copyright exceptions should be applied in order to permit normal exploitation of databases in the modern information society (please see Sec. 6 below).

Collections of works or separate materials were traditionally included in the sphere of copyright in Russia<sup>29</sup>, however, at the end of twentieth century it became clear that such a position means that only databases which may be characterized as “original” in terms of the selection or arrangement of the material were protected. This position clearly does not suit modern industries that work with huge amounts of different databases containing thousands or millions of materials (such as the contact information of legal entities, technical parameters of repair parts, statistic information, or legal acts) however, originality can but rarely is found in such a database. While Russia did not have such cornerstone precedents as *Feist*<sup>30</sup> in the United States or *Van Dale*<sup>31</sup> in the Netherlands, different Russian courts confirmed repeatedly that the use of database content per se is not a violation of copyright to the database. For example, the Federal arbitration court of the North-West district declared in its decision<sup>32</sup> that use of telephone numbers contained in a database did not violate the claimant’s copyright because the information was publicly available. In another case, the Federal arbitration court of the Volgo-Vyatsky district clarified that it was necessary to make a distinction between protection of database as a “collection” and protection of its content (in the case, the content included factual information which was not protected by copyright)<sup>33</sup>. The Supreme Arbitration Court confirmed that

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<sup>29</sup> For example, according to Sec. 13 of the Copyright Regulation of the Russian Empire of 1911, a collector of collection of folklore work had copyright to the collection. However, Russian copyright law had not mentioned databases until 1991, when the Fundamentals of the Civil Legislation of the Soviet Union and the Union Republics were adopted.

<sup>30</sup> *Feist Publications, Inc v. Rural Telephone Service Co.*, 499 U.S. 340 (1991).

<sup>31</sup> *Van Dale v. Romme, Hoge Raad*, 4 January 1991, NJ 1991, 608.

<sup>32</sup> Decision No. 3328 of 17.05.1999.

<sup>33</sup> Decision No. A29-1032/2003-2A of 24.09.2003.



copyright to a database does not preclude other people from collecting and arranging information contained in the database<sup>34</sup>.

In other words, the situation is more or less clear to the courts: the copyright to a database protects only the selection or arrangement of the materials, and the use of materials contained in a relevant database is prohibited only if the materials were copyrightable objects. Taking into account that most judges rarely encounter database disputes in their practice, this creates the risk that judges may be inclined to treat all database disputes under the copyright model that is familiar to them. However, this is more an issue of qualification of judges rather than a legislation problem. Hopefully in the near future, judges will clearly distinguish the cases where only creative elements should be protected from the cases where *sui generis* right should apply. As a rule, a database producer in Russia may not rely on copyright protection and has to use the *sui generis* right.

## 5. Problematic issues of *sui generis* right

The situation where only a “creative” database may be protected raised a problem for the development of the database industry, because investments in the production of most databases were not protected. Evidently, legislation should provide for an instrument that gives database producers adequate protection of their interests<sup>35</sup>.

The reason for the introduction of the *sui generis* protection of databases in the Russian legislation was similar to that in the European Union: “The objective of this *sui generis* right is to ensure protection of any investment in obtaining, verifying or presenting the contents of a database; such investment may consist of the implementation of financial resources and/or expending time, effort and energy”<sup>36</sup>.

The new regime of the *sui generis* right protects the interests of the industry collecting and processing relevant information and producing instruments that provide convenient access to a large volume of information.

As mentioned by some authors, “a two-tiered system recognizes that copyright protects only collection and verification of the materials themselves”<sup>37</sup>, therefore, a substantial part of relevant activity is not covered by copyright protection.

At the same time, it was clear that the European model had some defects, and policymakers therefore decided to make the Russian variant more clear-cut. The main problem of implementation of the European model in Russia was its vagueness, where the criteria would be

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<sup>34</sup> Ruling No. 7724/07 of 22 June 2007.

<sup>35</sup> See Dozortcev V.A. The Notion of exclusive right // *Yuridicheskiy Mir*, 2000, June, p.p. 30-31; Podshibihin L.I. Developing legal protection of databases // *Patents and licences*, 1999 No. 11, p. 42; Cheryachukin V.V. Database as an object of intellectual property // *Patents and licences*, 2002 No. 4, p. 39; Cruchinina M. Problems of legal protection of information, contained in databases // *Intellectual property. Copyright and Neighbouring rights*, 2005 No. 8, p. 3; Vaishnurs A. The Current situation and prospects for legal protection of databases in Russia, the USA and the European Union // *Urist*, 2003 No. 12, p. 48; etc.

<sup>36</sup> Recital 40 to the Database Directive.

<sup>37</sup> Bently L. Sherman B. *Intellectual Property Law*, Oxford University Press, 2004, p. 50.

defined by the court on case-by-case basis. This would require a high level of qualification of judges in this area and may be effective only in a stable legal system. Therefore in Russia amendments to IV Part of the RF Civil Code suggested some measures that should help judges to apply the *sui generis* regime and help database producers to protect their rights.

Part IV of the RF Civil Code introduced *sui generis* protection for databases whose creation (in particular, in terms of processing or presenting relevant materials) requires substantial expense. At first glance, it is the same variant as in the European Union, where the database right only arises if there has been a substantial investment in the database. However, it is worthwhile to note an important difference from the Database Directive: if according to the Database Directive *sui generis* right arises only where the maker of a database has made a substantial investment in either the activities of *obtaining, verifying or presenting* the contents of the database<sup>38</sup>, the Russian Civil Code does not contain such limitations. It makes the position of a database producer easier because he may take into account a wider list of expenses connected with creation of a database, for example, expenses for software used to provide access to the database and its operation<sup>39</sup>.

However, this construction is still not clear enough. It may be difficult to define what “substantial” means in this context. It is up to the court to decide in each case whether expenses were substantial or not, which is not always an easy task. The same difficulties exist in the European Union: “courts around the Community will, doubtless, have difficulty in deciding what an adequate minimum investment is to justify this form of protection”<sup>40</sup>. But the Russian legislation contains a special presumption that simplifies the tasks of the database producer and the court. According to Sec. 1, Art. 1334 of the RF Civil Code, the creation of a database is considered to require substantial expenses if the database contains ten thousand or more separate materials. The reference to the separate character of each material prevents a database producer from simply dividing material into parts in order to meet this criterion. Thanks to the above presumption, almost all serious database producers do not have to prove substantiality of their expenses, and producers of small but important databases still have an opportunity to prove their investment. Unfortunately, so far there is not substantial court practice in this respect.

Another vague issue is the application of *sui generis* right to original elements of databases. While some theorists consider that a database which is subject to the *sui generis* right is not an

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<sup>38</sup> However, courts in many countries admit protection of the producer of database if an activity which has led to the “spin-off” creation of database required substantial investment (France - France Telecom vs. MA Editions (Tribunal de commerce de Paris, 18 June 1999); Germany - Tele-Info-CD (Bundesgerichtshof, 6 May 1999); the Netherlands - KPN v. Denda (Gerechtshof Arnhem, 15 April 1997), etc.

<sup>39</sup> Abova T.E., Bankovskiy A.V., Boguslavskiy et al., Comments to the Civil Code of the Russian Federation. Vol. 2. Parts III and IV. / Under the editorship of T.E.Abova, M.M. Boguslavskiy, A.G. Svetlanova, Moscow, URAIT, 2010, p. 389.

<sup>40</sup> Cornish W.R. Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights. London, Dublin, Hong-Kong, Sweet and Maxwell, 1999., p. 525.

intellectual result at all<sup>41</sup>, it is more appropriate to say that this characteristic is irrelevant for protection; as it follows from Sec. 2, Art. 1334 of the RF Civil Code, the *sui generis* protection is an addition to copyright protection that may exist regarding a relevant database. Therefore, it is not surprising that one of the European authors stated categorically that the Database Directive as such did not seek to protect database content<sup>42</sup>.

The *sui generis* right does not protect non-original databases themselves, but instead protects the interests of producers of modern databases, a substantial part of which are non-original. The introduction of *sui-generis* right should not prejudice the interests of a producer of original databases, because traditional copyright protection does not cover organizational activity. Thus, we cannot agree with the position that it is necessary to constrain the subject-matter scope to databases comprising a collection of discrete facts and items of information, and necessary to expressly exclude collections of copyrightable material, which is already protected<sup>43</sup>.

The next problematic issue with *sui generis* right in Russia is the limitation of this right's application to foreign database producers<sup>44</sup>. In accordance with Sec. 1, Art. 1336 of the RF Civil Code, a database producer must be either a Russian citizen or a Russian legal entity; the rights of foreign persons would be protected only on a reciprocal basis or under an international agreement. However, if Russia joins the WTO and, therefore signs the Agreement on Trade-Related Aspects of Intellectual Property Rights, this issue will lose its sharpness.

The *sui generis* right has a specific character. If the usual exclusive right provides its owner the possibility of control of use of the relevant object in any form, the exclusive *sui generis* right is the right to extract materials from a database and subsequently re-utilise them. It is noteworthy that this right includes only moving an entire database or its substantial part to a new carrier. Therefore, extraction of separate materials from a database is outside of this exclusive right. The character of this right may bewilder judges if they have not encountered database disputes previously in their practice, but this is again an issue of qualification and we hope this will not be a problem for Russian judges in the future.

A database author has no moral rights<sup>45</sup> in the sphere of the *sui generis* rights. At the same time, a database producer has the specific right to place his name on copies of databases or its

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<sup>41</sup> Gavrilov E.P., Eremenko V.I. (2009). Commentary to Part IV of the Civil Code of the Russian Federation., Moscow, Ekzamen, 2009., p. 370.

<sup>42</sup> Gotzen F. International protection of non-creative databases // Copyright Bulletin, 2001, Vol. XXXV, No. 2., p. 37.

<sup>43</sup> A Question of Balance. Private Rights and the Public Interest in Scientific and Technical Databases. Washington, 1999, Committee for a Study on Promoting Access to Scientific and Technical Data for the Public Interest, National Research Council, p. 10.

<sup>44</sup> A database producer is a person who has organized the creation a database and work of collecting, processing and arranging relevant materials (Sec. 1, Art. 1333, the RF Civil Code.), therefore it is a person who has organized the work, rather than performed it himself. Accordingly, it is not necessary to perform any creative activity in order to become a "producer of a database" (Gavrilov E.P. Eremenko V.I., Commentary to Part IV of the Civil Code of the Russian Federation, Moscow, Ekzamen, 2009, p. 370).

<sup>45</sup> However, it does not deprive him of his moral rights in the sphere of copyright.

packing<sup>46</sup>. According to the draft amendments to Part IV of the RF Civil Code, this right is valid as long as an exclusive right to the database exists. The draft amendments also introduce one more right of a database producer: the right to make a database publicly available for the first time. The term of this exclusive right is fifteen years starting from 1 January following the year of its creation<sup>47</sup>, and the fifteen-year term resumes in case of *any update* to a database.

This is a very important difference from the European model, where the substantiality of changes is evaluated: that model requires a substantial change to the contents of the database<sup>48</sup>. However, there is no such requirement in the Russian legislation, and therefore the *sui generis* database right will exist in Russia as long as a database producer keeps his interest in exploitation of the database. This provision may be desirable because the database producer may obtain practically eternal rights, which leads to better protection of the database industry.

## **6. Necessity of limitation of dual protection of databases**

The European model of database protection has been strongly criticized in intellectual property literature. As Reichman and Samuelson mentioned, the database right is “one of the least balanced and most potentially anti-competitive intellectual property rights ever created”<sup>49</sup>. While such a strong position is arguable, it is clear that the legislation should provide for some limits to an exclusive right, which is a kind of monopoly by its nature. “In a number of ways the protection provided by the database right is stronger than that conferred copyright... One of the problems with database protection is its potential to be extended indefinitely”<sup>50</sup>. This is still more relevant for the Russian legislation, where the *sui generis* right is broader than in the legislation of the European Union.

Art. 1306 of the RF Civil Code establishes that relevant copyright exceptions should also apply to the neighboring rights, including the database *sui generis* right. This section will discuss whether these limitations are enough to balance the system.

Russian copyright legislation contains a number of exceptions and limitations of copyright<sup>51</sup>. These exceptions and limitations generally apply to any object of copyright, but there are a number of peculiarities provided for databases.

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<sup>46</sup> Makovsky A.L. maintains that this right is analogous to the right to the “author’s name” in copyright and includes in the list of owners of such “quasi author’s name right” a producer of a “complicated object” (Sec. 4, Art. 1240, the RF Civil Code), an encyclopedia or continued edition’s publishers (Sec. 7, Art. 1260, the RF Civil Code), audiovisual works’ producers (Sec. 4, Art. 1263, the RF Civil Code), employers (Sec. 3, Art. 1295, the RF Civil Code) (Avilov, G.E., Kalyatin, V.O., Kozir, et al. Commentary to Part IV of the Civil Code of the Russian Federation // Under the editorship of A.L. Makovsky, Moscow, Statut, 2008, p. 280).

<sup>47</sup> Sec. 1, Art. 1335, the RF Civil Code.

<sup>48</sup> Database Directive, Sec. 3 Art. 10, Recitals 54, 55.

<sup>49</sup> Reichman J., Samuelson P. “Intellectual Property Rights in Data?” 50 Vanderbilt LR 51, 81.

<sup>50</sup> Bently L. Sherman B. Intellectual Property Law, Oxford University Press, 2004, P. 299.

<sup>51</sup> Articles 1273-1280, the RF Civil Code.

In particular:

- 1) According to Art. 1273 of the RF Civil Code, the “use for personal purposes” exception does not apply to reproduction of databases and their substantial parts;
- 2) It is permitted to amend a database if it is necessary in order to ensure operation of the database on the equipment of a lawful user, including recording and storage of the database in the memory of a computer<sup>52</sup>; and
- 3) It is permitted to make a copy of a database for archival purposes or for replacement of a lost, destroyed or unusable copy of a database<sup>53</sup>.

In accordance with Sec. 4, Art. 1280 of the RF Civil Code, application of the provisions set forth in 2) and 3) above shall not cause unreasonable damage to the normal use of the database and shall not unreasonably prejudice the legitimate interests of the author or other rightholder<sup>54</sup>.

As we can see, these limitations facilitate the owner’s exploitation of his database, but do not create the possibility to use it for publicly important purposes; therefore, specific limitations of the *sui generis* right are necessary as well.

Currently, Russian legislation provides for the following limits to the database *sui generis* right:

- 1) Any extraction and use of unsubstantial parts of a database is not prohibited; and
- 2) A lawful user may, without any special authorization from the rightholder, extract and re-utilise relevant materials from a database for personal, scientific, educational and other non-commercial purposes to the extent justified by such purposes and provided only it does not violate copyright to the database. Thus, even if extraction and reutilization of materials is for non-profit purposes, such acts may still be an infringement.

The draft amendments published in December 2010 extend this list of limitations further. Sec. 1, Art. 1335 (1) of the draft amendments to the RF Civil Code establishes that a lawful user may, without any special authorization from the rightholder, extract and re-utilise:

- 1) Any part of the database if it is done for the purposes for which the database has been provided to the user. In other words, this exception permits a lawful user to perform all restricted acts as long as these acts are necessary for access to and normal use of the database content;

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<sup>52</sup> Subsec. 1 Sec. 1, Art. 1280, the RF Civil Code (“a person who lawfully possesses a copy of a computer program or a copy of a database (a user) shall have the right without the permission of the author or other rightholder and without payment of additional compensation: 1) to make changes in the computer program or the database for the only purpose of its operation on the technical equipment of the user and take actions necessary for the operation of such computer program or database in connection with its purpose, including recording and storage in the memory of a computer (of one computer or one network user) and also to make corrections of obvious errors, unless otherwise provided for by the contract with the rightholder”).

<sup>53</sup> Subsec. 2 Sec. 1, Art. 1280, the RF Civil Code.

<sup>54</sup> A similar regulation was provided in Article 15 of the repealed Law “On legal Protection of Computer Programs and Databases” which was replaced the IV Part of the RF Civil Code.

- 2) Content of the database for personal, scientific, educational and other non-commercial purposes to the extent justified by these purposes; and
- 3) Insubstantial parts of a database's contents for any purpose. It is clear that the wording of the latter point is very close to that of Art. 8 of the Database Directive<sup>55</sup>. In practice, it means that insubstantial parts of a database belong in the public domain (*Gaster, J., 1997, 285*). However, it is prohibited to use these insubstantial contents repeatedly and systematically if this conflicts with the normal exploitation of the database or unreasonably prejudices the legitimate interests of the database producer.

Conditions for application of these exceptions to the *sui generis* right are the following:

- 1) A database has been made available to the public;
- 2) These actions may be performed only by a lawful user (i.e. a person who has obtained the right to use the database under a contract or law); and
- 3) These actions should not violate copyright to the database.

Sec. 2, Art. 1335(1) of the draft also establishes that extraction and re-utilization of the content is not a violation if the identity of the database producer could not be ascertained or if the user, under certain circumstances, reasonably assumed that the database right had expired.

We believe that this extension of the limitations of database right will help balance the interests of database owners with the interests of society. While it is not possible to say whether these limitations will cause unreasonable damage to the normal use of the database, they certainly provide society with possibilities to use databases where necessary.

## **7. Problem of effectiveness of database registration**

Administrative instruments have always played an important role in the protection of rights in Russia. In order to construct an effective system of database protection, the relevant administrative mechanisms must be included. In particular, it is important to provide the possibility of confirmation of database right.

According to Art. 1262 of the RF Civil Code, the rightholder may, during the time period of effectiveness of the exclusive right to a computer program or database, register such a program or a database with the federal authority for intellectual property<sup>56</sup>. Currently, this federal authority is the Federal Service for Intellectual Property (Rospatent)<sup>57</sup>.

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<sup>55</sup> “The maker of a database which is made available to the public in whatever manner may not prevent a lawful user of the database from extracting and/or re-utilising insubstantial parts of its contents, evaluated qualitatively and/or quantitatively, for any purposes whatsoever” – Sec. 1 Art. 8, the Database Directive.

<sup>56</sup> An application for registration shall contain:

- a request for state registration of the database with an indication of the rightholder and the author unless he has declined to be mentioned as such and the place of residence or location of each of them;
- materials, identifying the database, including an abstract;-a document confirming payment of the state fee in the established amount or the presence of grounds for exemption from payment of the state fee or for reducing its amount or payment deferral.

A procedure of database registration was established by the Ministry of Education and Science on 29 October 2008 (Order of the

However, until 1 January 2008, the registration of all agreements on databases was not obligatory even if the relevant databases had already been registered. Under such circumstances, registration did not make much sense because it could not confirm the absence of other agreements.

After Part IV of the RF Civil Code came into force, the model changed. No registration of agreements on non-registered databases is required; however, if the database is registered, any assignment agreement on this database must also be registered, otherwise the agreement will be void<sup>58</sup>. This provides assurance to the assignee that no other assignment agreements on the relevant database have been concluded. No registration is necessary for any license agreement.

After the *sui generis* database right was introduced in Russia, another bureaucratic problem appeared. Traditionally, registration was only provided for databases protected by copyright. Therefore, since 2008 (when the *sui generis* right appeared), registration authorities sometimes required applicants to prove the “creative” character of his database. In order to simplify the registration, it was suggested in the draft of December 2010 to provide directly in the RF Civil Code that this registration covers databases protected by copyright as well as those protected by *sui generis* right. This small example shows that administrative mechanisms may sometimes create problems on the “even place”.

## 8. Conclusion

Databases are a fairly recent object of IP legislation, and it is understandable that legal regulation in this sphere contains some disputable issues. Russia faces the same problems as other countries; therefore, foreign experience in this area of legal regulation may prove useful. Part IV of the RF Civil Code clearly constitutes a landmark in intellectual property legislation in Russia. It has substantially changed intellectual property regulation in Russia, making it modern and efficient. But legislation must develop in order to match the requirements of the economy, and it is necessary to take into account the insufficient qualifications of most Russian judges in the intellectual property sphere. While the court system compensates for gaps or unclear legislation in countries with stable legal systems, Russian courts (except the High Arbitration Court and Supreme Court) do not try to make substantial contributions in the sphere of database protection. In such circumstances, legislation must provide some additional mechanisms to make the circulation of rights more stable and safe, protect interests of database creators, and at the same time give society sufficient means to use databases for publicly important purposes. In this respect, the amendments to the Russian legislation suggested at the end of 2010 (in particular,

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RF Ministry of Education and Science of 29 October 2008 No. 324.). According to Sec. 23 of this regulation, application review the by the Rospatent should not take more than two months.

<sup>57</sup> The official web-site: [http://www.rupto.ru/en\\_site/index\\_en.htm](http://www.rupto.ru/en_site/index_en.htm).

<sup>58</sup> Sec. 6, Art. 1232, the RF Civil Code. The registration procedure of agreements on databases is established in Order of the RF Ministry of Education and Science of 29 October 2008 No. 321.

the application of concept of “complicated object” in respect of databases, the extension of exceptions to the *sui generis* right, the simplification of the registration procedure, etc.) may become a significant step. We hope that the suggested amendments will be adopted and come into force in the near future. But there is still much work to be done in order to create an effective database regulation system in Russia.

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