

The Effect on Database Providers

Cases Comment: *Feist v Rural Telephones* and *BellSouth v Donnelly*

by James Fitzsimons and Peter Knight

There have been two decisions of courts in the United States which are relevant to database providers. They are *Feist v Rural Telephone* and *BellSouth v Donnelly*.

Feist v Rural Telephones

When this judgment was handed down by the US Supreme Court in April 1991 it sent shock waves through the database industry. The decision was unanimous: nine-nil; O'Connor J delivered the opinion of the Court in which Rehnquist, CJ and White, Marshall, Stevens, Scalia, Kennedy and Souter JJ joined. Blackmun J concurred in the judgment.

RTS provides telephone services to subscribers in Northwestern Kansas. For the benefit of its subscribers and under state regulation, RTS publishes a telephone directory with white and yellow pages. Data for the directory is gathered from subscribers who must provide their names and addresses to obtain telephone service.

Feist is a publishing company which specialises in directories covering a much wider area than that covered by local companies such as RTS. Feist and RTS compete vigorously for yellow pages advertising. Feist wished to publish a directory covering 11 different telephone districts, but RTS refused to licence the information to Feist.

In these circumstances Feist decided to use the data anyway. First Feist removed several thousand listings

which fell outside the geographic range of its directory. It then asked employees to verify the data of the 4,935 that remained. In most cases they also added the street address to the RTS listing. However, 1,309 of the Feist listings were identical to listings in the RTS white pages, including four fictitious entries that RTS had inserted to detect infringers.

The fundamental tensions of this case lie between the propositions that facts are never copyrightable, but compilations of facts generally are. Compilations are expressly mentioned in the US *Copyright Act*. Facts are not copyrightable because they lack the *sine qua non* of copyright: originality.

The US Constitution provides that Congress may 'secur[e] for limited Times to Authors...the exclusive Right to their respective Writings'. In two landmark cases in the late 19th century the Supreme Court defined the terms 'authors' and 'writings' in a way that unmistakably presupposes a degree of originality. 'Author in a constitutional sense means 'he (sic) to whom anything owes its origin; originator; maker.' Further, one who discovers a fact is not its 'maker' or 'originator'.

This area can become quite complex. One may copy the underlying facts from a publication, but not the precise words used to present them. President Ford, for instance, could not prevent the copying of bare historical facts from his autobiography, but he could prevent the copying of his 'subjective descriptions and portraits of public figures.' Where the

compilation author adds no written expression but rather lets the facts speak for themselves, the expressive element is more elusive. The only conceivable expression is the manner in which the compiler has selected and arranged the facts. Her Honour therefore notes that the copyright in a factual compilation is necessarily 'thin'.

This applies equally to authors who are the first to discover certain facts. However, this is not an unforeseen by-product of a statutory scheme. It is the essence of copyright and a constitutional requirement.

The reason the Supreme Court decided to hear this case is that some US courts have misunderstood the *Copyright Act*. They did this in two ways. First, section 5 of the Act provides for the registration of 'compilations' and this has been held to mean that all compilations are per se copyrightable. Secondly, the courts have developed the 'sweat of the brow' test; the underlying notion was that copyright is a reward for the hard work that went into compiling facts.

Congress, in enacting the 1976 *Copyright Act*, sought to overcome the sweat of the brow test by replacing the words 'all the writings of an author' with the phrase 'original works of authorship'. Congress also defined the term 'compilation' to make it clear that they are not per se copyrightable:

'a work formed by the collection and assembly of preexisting materials or of data that are selected, coordinated, or arranged in such

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a way that the resulting work as a whole constitutes an original work of authorship'.

Clearly there are three distinct elements to be met for a work to qualify as a copyrightable expression.

RTS conceded that the names, towns and telephone numbers could not themselves be protected—the court had to decide whether RTS selected, coordinated or arranged these uncopyrightable facts in an original way. The Court found that the directory lacked 'the modicum of creativity necessary to transform mere selection into copyrightable expression. RTS expended sufficient effort to make the white pages directory useful, but insufficient creativity to make it original.' Further: 'there is nothing remotely creative about arranging names alphabetically in a white pages directory.'

The Court also noted, although it was not necessary to rely on the fact, that the arrangement of the information in the directory was mandated by state law and so RTS did not even truly 'select' the arrangement.

The final words of the court on the subject are:

'Given that some works must fail [the test of copyrightability in a compilation], we cannot imagine a more likely candidate. Indeed, were we to hold that Rural's white pages pass muster, it is hard to believe that any collection of facts could fail.'

Once the sweat of the brow theory has been swept away there was a great fear on the part of database providers, in the US anyway, that they would no longer be able to prevent others from making copies of their databases. It is clear law that there is no copyright in facts and so if there was no protection for

the arrangement of those facts, others would be free to make complete copies with impunity.

Even a reasonably close reading of the judgment, however, shows such fears to be vastly overstated. The key is almost at the end of the judgment where the court says: 'Given that some works must fail, we cannot imagine a more likely candidate. Indeed were we to hold that Rural's white pages pass muster, it is hard to believe that any collection of facts could fail.'

In the view of the Supreme Court it is axiomatic that 'mere' facts cannot be the subject of copyright. The court also noted that a compiler of facts does not have to do much to gain copyright protection for the compilation but they do have to do something original. The court found that alphabetical listings of names and telephone numbers have been with us for over 100 years.

Clearly those who put together large databases will not fail the same test. Typically much skill and original thought goes into selecting the facts which will be included and the way in which those facts are arranged. The Court made it clear that there can be no question but that there is copyright in compilation works and presumably would have as little hesitation in finding against someone making wholesale copies of databases as they did in finding for Feist.

The other section of the judgment which can give comfort to database providers is that the Court asked itself whether 'Rural selected, coordinated or arranged [the] uncopyrightable facts in an original way' It is not just the arrangement of the facts in question which protects the database, so it would not be sufficient for a rival to copy a database and merely re-order the entries. While this test is based on the

US *Copyright Act* and its definition of 'compilation' (there is no such definition in the Australian Act), it is probable that similar reasoning would be adopted in Australia, and other countries.

The decision may seem hard on RTS but it is worth remembering that the decision is not, in the words of the judgment, 'some unforeseen by-product of a statutory scheme.' It is the essence of copyright that while authors have a right to profit from their expression, others are free to build upon the ideas and information conveyed by that expression.

The fears expressed after this case were muted somewhat by the next decision.

BellSouth Advertising & Publishing Corporation v Donnelly Information Publishing Inc

This case followed only several months after *Feist v Rural Telephones*.

The Applicant (BAPCO) was a wholly owned subsidiary of BellSouth Corp which was created for the purpose of preparing publishing and distributing telephone directories. As part of its function BAPCO produces the Greater Miami Yellow Pages. In the directory business telephone numbers from exchanges within the specified area are listed according to business classification. Businesses may purchase an advertisement to be interspersed with listings.

After BAPCO published its 1984 Yellow Pages, Donnelly began producing a competitive directory for the same area. Donnelly entered into an agreement with BellSouth pursuant to which BellSouth provided Donnelly with the name, address and telephone number of all its relevant business subscribers. Instead

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of using that information to create its own directory, however, Donnelly simply had the BAPCO Yellow Pages keyed into a data base and stored on a magnetic tape.

Donnelly provided its sales representatives with lead sheets produced from the database and using some of the organizational elements of the BAPCO Yellow pages to help them solicit advertisements for the Donnelly directory and eventually produced a directory in substantially the same format as the BAPCO Yellow pages.

BAPCO filed suit alleging copyright infringement, trade mark infringement and unfair competition. Donnelly cross-claimed alleging unlawful monopolization and invalid trade mark registration. The present judgment is an appeal from district court rulings on several summary judgment applications.

In analysing the BAPCO claim the court first considered whether BAPCO had used an original format, that is whether the information had been selected, coordinated and arranged in such a way that the resulting work as a whole constituted an original work of authorship. First, BAPCO performed several acts of selection: geographic boundaries, a date after which no more listings would be accepted and most importantly the numerous business classifications. Secondly BAPCO coordinated all the current informational components

of a particular business into one complete business listing. Thirdly, BAPCO arranged these coordinated listings according to various categories.

The court specifically distinguished the US Supreme Court decision in *Feist v Rural Telephones* saying there are sufficient differences between white pages and the BAPCO Yellow pages to meet the minimal level of independent creativity required by that case to qualify as original. However, only the original format is protected, the bare information itself segregated from the compilational format is not protected.

The court then had to decide whether Donnelly had substantially appropriated the BAPCO format. There was no problem in deciding that the act of keying the formatted information into a computer and storing it on magnetic tape was a 'physical act of copying'. In that copying Donnelly included with the name address and number, the classified heading code, the advertising code and directory code for every business listing. The use of these codes was held to be sufficient to constitute the data base as a copy of the BAPCO directory.

The fact that Donnelly had copied the BAPCO Yellow pages when it had legitimately available the name address and number information further illustrated that Donnelly was interested in the format and organization of the information in the BAPCO Yellow pages.

The court had more difficulty with the sales lead sheets. These were arranged differently to the BAPCO Yellow pages. However, the protected part of a compilation work is the 'selection, coordination or arrangement'. Although the arrangement of Donnelly's sales lead sheets and BAPCO's phone directory is different, the Donnelly documents appropriated the BAPCO format and this was a substantial appropriation and constituted the copying of constituent elements of originality of the BAPCO work.

The court also found that the BAPCO Yellow pages had been copied in a third way - by publication of the Donnelly directory itself. Although there were some different advertisements interspersed the overall format had been substantially appropriated.

Therefore the Court of Appeal affirmed the decision of the District Court in granting summary judgment to BAPCO on the copyright issues. The arguments raised by Donnelly of misuse of copyright were also dismissed; the provision by BellSouth of the names addresses and telephone numbers of business customers showed that BAPCO had not extended its privileges beyond that which is protected by copyright.

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