



## **Congress Poised To Create Dramatic New Information Landscape: Without A Single Senate Hearing**

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Press Release

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### **CONGRESS POISED TO TURN BACK 200-PLUS YEARS OF COPYRIGHT LAW TO CREATE NEW RIGHT IN DATABASES**

#### **Broad Private and Public Sector Coalition Welcomes FTC Letter to Congress Raising Serious Flaws in Bill**

Washington, DC -- The Federal Trade Commission sent Congress a letter Monday pointing to several serious flaws in a legislative attempt to create new intellectual property protection for databases. An unprecedented private and public sector coalition has rallied behind the letter, which follows similar communications from the Departments of Commerce and Justice, and called on Congress to defer consideration of the "Collections of Information Anti-Piracy Act," to the next session when necessary hearings could be scheduled.

"No entirely new intellectual property regime should be created without thorough vetting by all affected parties, least of all one opposed by many of the very businesses for whose benefit it was supposedly offered," said Jean Cantrell of Dun & Bradstreet.

The bill, which would overturn 200-plus years of Copyright law without the benefit of even a single Senate hearing, creates a wholly new form of intellectual property for databases and was tacked on to the Digital Millennium Copyright Act ("DMCA") in the House of Representatives hours before passage in the House. The Senate passed a much different form of the DMCA which did not include database protection. A conference committee has begun meetings to reconcile the two versions.

The broad spectrum of groups that oppose the database bill includes internet companies, research scientists, value-added database providers, librarians, consumer groups, educators, online brokerage and banking firms, free speech organizations, telecommunications companies and computer manufacturers. "These organizations and the people and industries they represent all recognize the value of public access to knowledge and information," notes Peter Jaszi, American University Law Professor.

The bill affects databases, such as a list of 100 chemical compounds in an experimental drug or the 5,000 brightest stars in the galaxy. But rather than protecting the creative organization or selection of the

information, as copyright law does, this new right would, in effect, allow control of the facts themselves.

A primary concern is the lack of process and public debate on an issue with such far reaching impact. "This would put simple facts under potential lock and key for the first time in our history," says Adam Eisgrau of the American Library Association, "this 'sea change' in American intellectual property law will have been made despite the principled opposition of a 'Who's Who' in the public and private sectors and without benefit of a single minute of formal scrutiny by the Senate," he adds.

Many exciting new Internet endeavors involve fact-based information services. These companies and individuals draw information from many sources, re-organize it, combine it with other information and offer valuable new products and services to online consumers. Under the proposed bill, such activities could trigger liability. "The database bill," says Jonathan Band, representing the Online Banking Association, "will undermine our much-hailed 'information economy.' This bill will overprotect information and chill creation of innovative products and services."

Some industry representatives are concerned about the monopoly power this new right would confer, particularly for industries based upon a sole-source provider of information. This concern was emphasized by a letter from the Federal Trade Commission to Congress this week. Brokerage houses already experiencing price increases for access to stock quote information worry that the stock exchanges could considerably hike prices. "In the end it is the individual investors who will be hurt," said Frank Kelly of Charles Schwab, Inc.

The concerns of the education and research communities run deep. "We worry that the costs of time and money this bill triggers will hinder science and research, delay some projects and possibly kill others, The advancement of knowledge depends on a researcher's ability to access and utilize data," said Mark Frankel Director of the Scientific Freedom, Responsibility and Law Program of the American Association for the Advancement of Science.

The coalition is calling for House and Senate conferees to remove the database bill from the Digital Millennium Copyright Act. "The database bill has nothing to do with implementing the World Intellectual Property Organization treaties and should not be part of this bill" says Prue Adler, of the Association of Research Libraries. "We can achieve a workable and balanced compromise on database protection if Congress makes time for all interested parties to engage in serious discussions."

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Among the groups which have communicated concerns about the database legislation to Congress are:

Amdahl Corporation  
American Association for the Advancement of Science  
American Association of Law Libraries  
American Association of Legal Publishers  
American Committee for Interoperable Systems  
American Historical Association  
American Library Association  
Art Libraries Society of North America  
Association of American Geographers  
Association of Research Libraries  
AT&T

Ball Research, Inc.  
Bell Atlantic  
Bloomberg Financial Markets  
Charles Schwab & Co., Inc.  
Chief Officers of State Library Associations  
College Art Association  
Commercial Internet eXchange Association  
Computer & Communications Industry Association  
Conference on College Composition and Communication  
Consortium of Social Science Assoc.  
Consortium for School Networking  
Consumer Project for Technology  
Digital Future Coalition  
Dun & Bradstreet  
Electronic Frontier Foundation  
Emerging Communications, Inc.  
Hyperlaw, Inc.  
Information Technology Association of America  
International Society for Technology in Education  
MCI WorldCom, Inc.  
Medical Library Association  
Modern Language Association  
Music Library Association  
National Association of Elementary School Principals  
National Council of Teachers of English  
National Education Association  
National Humanities Alliance  
National Writers Union  
NetAction  
Online Banking Association  
Practice Management Information Corp.  
Society of American Archivists  
Special Libraries Association  
Storage Technology Corporation  
Sun Microsystems  
United States Catholic Conference  
Yahoo!, Inc.

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