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A Doctrine of the Public Domain

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Abstract: The article, which summarizes key findings of my German book 'Die Gemeinfreiheit. Begriff, Funktion, Dogmatik' ('The Public Domain: Theory, Function, Doctrine'), asks whether there are any provisions or principles under German and EU law that protect the public domain from interference by the legislature, courts and private parties. In order to answer this question, it is necessary to step out of the intellectual property (IP) system and to analyze this body of law from the outside, and – even more important – to develop a positive legal conception of the public domain as such. By giving the public domain a proper doctrinal place in the legal system, the structural asymmetry between heavily theorized and protected IP rights on the one hand and a neglected public domain on the other is countered. The overarching normative purpose is to develop a framework for a balanced IP system, which can only be achieved if the public domain forms an integral part of the overall regulation of information.

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I. Introduction

1 While theory and doctrine on intellectual property rights (IPRs) abound, the public domain has for a long time been a political and academic non-topic. Ever since the late 19th century, when the term domaine public was introduced by Victor Hugo in his speech opening the first Congress of the Association litteraire et artistique internationale (ALAI),[1] the term has simply expressed the fact that some intangibles[2] are not subject to IP protection. In that sense, Article 18 of the Berne Convention provides that the convention 'shall apply to all works which, at the moment of its coming into force, have not yet fallen into the public domain in the country of origin through the expiry of the term of protection'.

2 During the global proliferation and expansion of IP protection, the silence surrounding the public domain became so complete that the concept virtually evaporated. In its 2008 recommendation on the IP management of universities and other public research organizations, the Commission of the then European Community used the term 'intellectual property' to identify 'knowledge in the broadest sense, encompassing e.g. inventions, software, databases and micro-organisms, whether or not they are protected by legal instruments such as patents'.[3] In other words, knowledge is not simply called knowledge, which may be freely available or protected. No - every piece of knowledge is called intellectual property (propriété intellectuelle/geistiges Eigentum). Thus, it has even become impossible to articulate the non-protection of knowledge.

3 At the same time, the public domain has played a surprisingly important role in the jurisprudence of the German Federal Supreme Court. As early as 1965, the court stressed that works whose term of protection has lapsed must be free for everyone's use.[4] In later decisions, the court even proclaimed a 'principle of the

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[1] 'Constatons la propriété littéraire, mais, en même temps, fondons le domaine public. Allons plus loin. Agrandissons-le.' See Séverine Dusollier, 'Scoping Study on Copyright and Related Rights and the Public Domain' (2010), 18 <www.wipo.int/edocs/mdocs/mdocs/en/cdip_4/cdip_4_3_rev_study_inf_1.pdf> accessed 29 August 2015.

[2] There is no settled term to address all subject matters of IPRs and the public domain. In the following, I use 'intangibles' and 'information' synonymously in this sense.

[3] European Commission, Recommendation of 10 April 2008 on the management of intellectual property in knowledge transfer activities and Code of Practice for universities and other public research organisations, COM 2008/1329, Recital 3.

[4] German Federal Supreme Court Case I ZR 111/63, 13.10.1965, BGHZ 44, 288 – Apfel-Madonna.

public domain', which prohibits exclusive rights in abstract ideas and obvious, non-inventive technological improvements.[5] Since 2000, more and more German courts and commentators have referred to the term, without, however, exploring its meaning.[6]

4 In the late 1990s, considerable academic and even public interest in the public domain also arose in the United States, as a reaction to the extension of the term of protection of US copyright by 20 years. At a point in time when the ever-expanding global IP system was coming into crisis, the public domain emerged from the shadows of exclusivity. The works of Jessica Litman,[7] Edward Samuels,[8] Pamela Samuelson[9] and last but not least James Boyle[10] have been important stimuli to an international discourse on the public domain, which reached Europe in the last decade[11] and eventually also the World Intellectual Property Organization, which in 2007 commissioned two studies on the public domain in copyright and patent law.[12] Since then, much important work has been undertaken to prove the economic benefit of the public domain.[13]

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[5] German Federal Supreme Court Case I ZR 19/07, 22.1.2009, GRUR 2009, 942 para. 12 – Motezuma; Cologne Regional Court Case 6 U 8/97, 28.8.1998, ZUM-RD 1998, 547; Munich Regional Court Case 29 U 4978/08, 30.4.2009, GRUR-RR 2009, 307 – Der Seewolf.

[6] See Alexander Peukert, Die Gemeinfreiheit. Begriff, Funktion, Dogmatik (Mohr Siebeck 2012) pp 2-3 with further references.

[7] Jessica Litman, 'The Public Domain' (1990) 39 Emory Law Journal 965-1023.

[8] Eduard Samuels, 'The Public Domain in Copyright Law' (1993) 41 J. Copyright Soc'y USA 137-182.

[9] Pamela Samuelson, 'Mapping the Digital Public Domain: Threats and Opportunities' (2003) 66 Law & Contemp. Probs. 147-171; Pamela Samuelson, 'Enriching Discourse on Public Domains' (2006) 55 Duke L. J. 783-834.

[10] James Boyle, 'The Second Enclosure Movement and the Construction of the Public Domain' (2003) 66 Law & Contemp. Probs. 33-74; James Boyle, The Public Domain: Enclosing the Commons of the Mind (Yale University Press 2008).

[11] P. Bernt Hugenholtz and Lucie Guibault, The Future of the Public Domain. Identifying the Commons (Kluwer Law International 2006); Charlotte Waelde and Hector MacQueen, Intellectual Property. The Many Faces of the Public Domain (Edward Elgar 2007); Valérie-Laure Benabou and Séverine Dusollier, 'Draw me a Public Domain' in Paul Torremans (ed.), Copyright Law: A Handbook of Contemporary Research (Edward Elgar 2009) 161-184.

[12] Dusollier (n. 1); Jeremy Phillips and others, 'Study on Patents and the Public Domain' (2011) <http://www.wipo.int/edocs/mdocs/mdocs/en/cdip_4/cdip_4_3_rev_study_inf_2.pdf> accessed 29 August 2015.

[13] Paul J. Heald, 'Property Rights and the Efficient Exploitation of Copyrighted Works: An Empirical Analysis of Public Domain and Copyrighted Fiction Best Sellers' (2008) 92 Minn. L. Rev. 1031; Christopher Buccafusco and Paul J. Heald, 'Do Bad Things Happen When Works Enter the Public Domain?: Empirical Tests of Copyright Term Extension' (2013) 28 Berkeley Tech. L.J. 1 (empirical comparison showing that audio books made from public domain bestsellers were 'significantly more available' than those of copyrighted bestsellers); Kris Erickson, Paul Heald, Fabian Homberg, Martin Kretschmer and Dinusha Mendis, 'Copyright and the Value of the Public Domain. An empirical assessment' (2015) <www.gov.uk/government/uploads/system/uploads/attachment_data/file/415014/Copyright_and_the_value_of_the_public_domain.pdf> accessed 29 August 2015.

5 One aspect of the public domain has, however, not received much attention. The scholarship mentioned above focuses on the theory and in particular the economic, cultural and social functions of a robust public domain. It does not, however, take a strictly legal, jurisprudential point of view. As a consequence, there is still no comprehensive legal doctrine of the public domain explaining the legal status of intangibles unprotected by IPRs.[14]

6 The following article, which summarizes key findings of my German book 'Die Gemeinfreiheit. Begriff, Funktion, Dogmatik' ('The Public Domain: Theory, Function, Doctrine'),[15] aims at filling this gap. It moves beyond the theoretical discourse by asking whether there are any provisions or principles under German and EU law that protect the public domain from interference by the legislature, the courts and private parties. The question whether the public domain has legal teeth is of high practical importance, as is exemplified by the following issues addressed in this article: May the legislature extend the term of protection of IP rights with retroactive effect? Is it correct to interpret limitations and exceptions to IP rights restrictively? Is an end user licence clause valid that prohibits lawful quotations and transformative uses of copyrighted material? Is a licensor of a patent liable to pay damages to the licensee if the licensed patent is declared invalid after the conclusion of the contract? Is a supposed owner of an IP right liable for sending unjustified warning letters to competitors and their customers?

7 To answer these questions, it is necessary to step out of the IP system and to analyze this body of law from outside, and – even more important – to develop a positive legal conception of the public domain as such, moving beyond the conventional no-rights approach. By giving the public domain a proper doctrinal place in the legal system, the structural asymmetry between heavily theorized and protected IP rights on the one hand and a neglected public domain on the other is countered. The overarching normative purpose is to develop a frame-

[14] Cf. Joseph P. Liu, 'The New Public Domain' (2013) U. Ill. L. Rev. 1395 (concluding that courts must develop a more robust and theoretically-grounded understanding of the preemptive scope of copyright's public domain).

[15] Peukert (n. 6); see also Marketa Trimble, 'Book Review: 'Die Gemeinfreiheit: Begriff, Funktion, Dogmatik (The Public Domain: Concept, Function, Dogmatics)' by Alexander Peukert' (2013) 3 The IP Law Book Review 60-68.

work for a balanced IP system,[16] which can only be achieved if the public domain forms an integral part of the overall regulation of information.

II. The Meaning and Scope of the Public Domain

8 As a first step, it is necessary to specify the meaning and scope of the public domain. To this end, one has to positively classify the realm of information that is not protected by IP rights.

9 Since the boundaries of the public domain meet with the boundaries of IP protection, both are territorial in nature. An IP right is limited to the territory of the state which grants it.[17] No intangible subject matter is protected by one uniform right which applies world-wide. Instead, technical inventions, works of art, brands, etc., are subject to a bundle of possibly more than 161 territorial rights of national or supranational (e.g. EU) provenance.[18] These rights are independent from each other so that an invention, work etc., may be protected in one country, but remain unprotected in another. The same is true for the public domain. Its scope varies from country to country, depending upon the scope of the local IP regime. Thus, there is no global public domain, but a German public domain, a U.S. public domain, etc. These public domains are not subject to one law, but to different national laws, for example as regards the fundamental rights status of the public domain or procedures to invalidate registered IP rights.[19] This article is based on German and EU law and thus addresses the German/EU public domain only. Nevertheless, the rather abstract structure and the basic building blocks of the doctrine should be informative for all jurisdictions that grant IP rights in accordance with international IP treaties like the Berne Convention. As exemplified by Article 18 BC, the creation of modern IP

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[16] Art. 7 TRIPS; Directive of the European Parliament and of the Council 2004/48/EC of 29 April 2004 on the enforcement of intellectual property rights [2004] OJ L 195/16, Recital 2; ECJ Case C-275/06 Promusicae, ECLI:EU:C:2008:54, paras 60, 70; US Supreme Court KSR v. Teleflex, 127 S. Ct. 1727, 1741, 1745-1746 (2007); US Supreme Court Kimble v. Marvel Entertainment, 135 S.Ct. 2401, 2406-7 (2015).

[17] See Alexander Peukert, 'Territoriality and Extraterritoriality in Intellectual Property Law' in Günther Handl, Joachim Zekoll and Peer Zumbansen (eds), Beyond Territoriality: Transnational Legal Authority in an Age of Globalization (Brill 2012) 189-228.

[18] The number of member states of the WTO required to comply with the TRIPS Agreement; see <www.wto.org/english/thewto_e/whatis_e/tif_e/org6_e.htm> accessed 29 August 2015.

[19] However, not all areas of law protecting the public domain are strictly territorial in nature. This is particularly true of contract and tort law.

rights automatically constitutes a public domain of information.[20] This nexus and its normative implications are valid in all countries that provide for this kind of IP protection.

10 Within each of these territorial public domains, four categories of public domain information can be distinguished. The first of these, the structural public domain, concerns information which has never been protected by any IP right.[21] For example, discoveries, scientific theories and mathematical methods are not patentable as such in Europe.[22] US patent law does not extend to 'laws of nature, natural phenomena, and abstract ideas'.[23] According to Article 9 paragraph 2 of the TRIPS Agreement, 'copyright protection shall extend to expressions and not to ideas, procedures, methods of operation or mathematical concepts as such'. Furthermore, routine additions to the state of the art that are obvious, lack an inventive step or are not original or creative do not receive protection.[24] Thereby, basic building blocks and minor pieces of information remain free from exclusive rights.

11 There is also a structural public domain in trademark law, which has, however, a different subject matter and purpose than IP rights protecting innovation. Firstly, trademark law protects only signs, but not the goods or services that the brand is meant to distinguish. It follows inter alia that signs consisting exclusively of a shape which results from the nature of the good itself is not protectable as a trademark.[25] Secondly, only signs that are capable of distinguishing the goods or services of one enterprise from those of other enterprises qualify for

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[20] On the historical simultaneity of IP rights and the public domain see F. Willem Grosheide, 'In Search of the Public Domain During the Prehistory of Copyright Law' in Charlotte Waelde and Hector MacQueen (eds), Intellectual Property: The Many Faces of the Public Domain (Edward Elgar 2007) 1.

[21] Samuels (n. 8), 162 et seq.; Séverine Dusollier, 'Le Domaine Public, Garant de L'Intérêt Public en Propriété Intellectuelle?' in: Mireille Buydens and Séverine Dusollier (eds), L'intérêt général et l'accès à l'information en propriété intellectuelle (Bruylant 2008) 111, 136-7 (domaine public ontologique).

[22] Art. 52(2) and (3) European Patent Convention; Sec. 1(3) and (4) German Patent Act.

[23] US Supreme Court Alice Corp. v. CLS Bank International, 134 S.Ct. 2347, 2350 (2014) with further references.

[24] German Federal Supreme Court Case I ZR 17/78, 26.9.1980, GRUR 1981, 267 – Dirlada (copyright law); German Federal Supreme Court Case X ZB 27/05, 20.6.2006, BGHZ 168, 142 para. 20 – Demonstrationsschrank (utility models and patent law).

[25] Art. 3(1)(e) Directive 2008/95/EC of the European Parliament and of the Council of 22.10.2008 to approximate the laws of the Member States relating to trade marks, OJ L 299/25; Art. 7(1)(e) Council Regulation (EC) No 207/2009 of 26.2.2009 on the Community trade mark, OJ L 78/1; CJEU Case C-205/13 Hauck, EU:C:2014:2233, paras 18, 31.

trademark protection.[26] For example, the international football association FIFA failed to obtain a trademark for 'football world cup' in Germany.[27] The free availability of such a sign for all enterprises promotes fair competition and prevents trademark law from becoming a tool for restraining market access and competition.

12 The second dimension of the public domain relates to formerly protected subject matter. This conditional public domain arises only subject to the condition precedent that the term of IP protection has expired. It concerns generics, unused trademarks, and on every first of January many works that now 'fall into the public domain' (cf. Art. 18 Berne Convention).[28]

13 The third dimension of the public domain can be called contractual public domain. In this case, the free availability of protectable subject matter is based on an autonomous decision of the right holder to waive all of her IP rights with effect erga omnes.[29]

14 The fourth and final dimension of the public domain concerns certain uses of protected subject matter that do not constitute an infringement and are not subject to the payment of statutory levies.[30] Different from the aforementioned categories, this aspect of the public domain does not pertain to certain information per se but only to specific uses of otherwise IP-protected subject matter. I therefore call it the specific public domain. It covers uses beyond the scope of exclusive rights, for example the repairing of patented products or the private communication of copyrighted works. Limitations and exceptions like experimental use in patent law, the right to quote or fair use in copyright law or the fair use of descriptive indications in trademark law also form part of the specific public domain. In all these cases, everyone is free to avail herself of the lawful uses without the prior consent of the right holder or the payment of statutory levies.

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[26] Max Planck Institute for Intellectual Property and Competition Law, Study on the Overall Functioning of the European Trade Mark System, 15.2.2011, para. 1.29 <http://www.ip.mpg.de/shared/data/pdf/mpi_final_report.pdf> accessed 29 August 2015.

[27] German Federal Supreme Court Case I ZB 96/05, 27.4.2006, GRUR 2006, 850 para. 20-22 – FUSSBALL WM 2006.

[28] See Dusollier (n. 21), 132 et seq. (domaine public temporel); Jenkins, 'In Ambiguous Battle: The Promise (and Pathos) of Public Domain Day' (2014) 12 Duke L. & Tech. Rev., 1 et seq.

[29] Dusollier (n. 21), 134-5 (domain public consenti); Samuels (n. 8), 158 et seq.

[30] M. William Krasilovsky, 'Observations on Public Domain' (1967) 14 Bull. Copyr. Soc'y 205, 207-8 ('limited areas of public domain'); David Lange, 'Reimagining the Public Domain' (2003) 66 Law & Contemp. Probs. 463, 478-9; Dusollier (n. 21), 137 (domaine public réglementaire).

III. The Legal Basis of the Public Domain

1. Equal Negative Liberty to Use Information

15 This last-mentioned legal effect also characterizes the other dimensions of the public domain. Public domain information may be freely used by everyone under equal terms for every lawful purpose, including in particular commercial uses. The legal basis underlying the public domain is at the heart of a liberal rule of law. It is the principle of equal negative liberty.[31]

16 The freedom to use public domain information for every otherwise lawful purpose is guaranteed by the fundamental rights to freedom of expression and information, to freedom of the arts and sciences, to freedom to conduct a business, and in any event by the all-encompassing general right to free development of everyone's personality (Art. 2(1) German Basic Law).[32] All persons are equally entitled to these freedoms (Art. 3(1) German Basic Law). In the principle of equal negative liberty, every person's dignity, freedom and equality before the law culminate. Conflicts between fundamental freedoms have to be resolved under the principle of praktische Konkordanz (consistency in practice) to the effect that the fundamental rights of all persons involved are granted the broadest possible effect.[33] Preservation of a maximum of equal negative liberty for everyone can be said to constitute the ultimate end of a liberal society governed by the rule of law.

17 The equal freedom to access and use public domain information appears to be a straightforward and strong basis for the public domain, but it turns out to be

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[31] WIPO Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore, 'Note on the Meanings of the Term 'Public Domain' in the Intellectual Property System with Special Reference to the Protection of Traditional Knowledge and Traditional Cultural Expressions/Expressions of Folklore', 24.11.2010, Doc. WIPO/GRTKF/IC/17/INF/8, Annex paras 7-9; Samuelson (n. 8), Duke L. J. 55 (2006), 783, 826 et seq.; Benabou/Dusollier (n. 11), 171 (free and equal use); Yochai Benkler, 'Free as the Air to Common Use: First Amendment Constraints on Enclosure of the Public Domain' (1999) 74 N.Y.U.L. Rev. 354, 358 et seq. ('all users are equally privileged to use the resource on the basis of their negative liberty'); Higher Administrative Court of Baden-Württemberg, Case 10 S 281/12, 7.5.2013, NJW 2013, p. 2045.

[32] English translation available at <http://www.gesetze-im-internet.de/englisch_gg/index.html>. See also German Federal Supreme Court Case I ZR 35/13, 19.3.2014, GRUR 2014, 974 para. 32 – Porträtkunst (private copy exemption in copyright law is based on the right to free development of everyone's personality).

[33] Konrad Hesse Grundzüge des Verfassungsrechts der Bundesrepublik Deutschland (20th edn, C.F. Müller 1999) 317 et seq.

problematic.[34] Liberal Western legal and market orders are built on and around the concept of subjective or individual rights. German tort law, for example, protects the 'rights' of others and their legally protected interests.[35] On a procedural level, Article 19 para. 4 of the German Basic Law proclaims that any person may have recourse to the courts if her 'rights' are violated by public authority. The German Federal Constitutional Court has held that this provision reflects a fundamental decision of the German legal order to protect individual rights and interests.[36]

18 Public domain information is, in contrast, owned by no-one. Although some information in the public domain is of high economic value – consider the human genome, paracetamol or a Mozart opera – no-one owns it, and everyone can use it for any lawful purpose. This highly improbable solution is acceptable only because of the peculiar, non-rival character of intangibles.[37] The marginal production costs of non-rival goods such as information are zero or close to zero. Moreover, these goods can be enjoyed simultaneously by an unlimited number of users without preventing simultaneous consumption by others. Only under this condition is a no-rights, no-owner concept economically sustainable. In addition, the respective legal order and society has to cherish individual freedom and openness of communication.

2. Alternative Explanations and Terminologies

19 The understanding of the public domain as the equal negative liberty to use certain information can be distinguished from alternative explanations and terminologies. Firstly, the public domain should not be conceptualized as a private, subjective right vis-à-vis other persons[38] because such rights-talk suggests in

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[34] Cf. Peter Drahos, A Philosophy of Intellectual Property (Ashgate 1996) 64-68 (preferring a concept of positive community instead of negative community).

[35] See Sec. 823(1) German Civil Code, available in English at <http://www.gesetze-im-internet.de/englisch_bgb/index.html>.

[36] German Federal Constitutional Court Case 1 BvR 2466/08, 1.10.2008, NVwZ 2009, 240; German Federal Constitutional Court Case 1 BvR 198/08, 10.6.2009, NVwZ 2009, 1426, 1427; see also Art. 263(4) TFEU.

[37] Yochai Benkler, 'Intellectual Property and the Organization of Information Production' (2002) 22 Int. Rev. L. & Econ. 81, 83 with footnote 13.

[38] But see Canadian Supreme Court CCH Canadian Ltd. v. Law Society of Upper Canada, 1 S.C.R. 339 para. 48 (2004); Christophe Geiger, Droit d'auteur et droit du public à l'information (Litec Lexis-Nexis 2004), 218; Lange (n. 23) 147; Niva Elkin-Koren, 'Copyright in a Digital Eco-

essence that something is rightly owned or claimed by a person, whereas others are under a duty to do or omit something. That, however, is precisely not the case with public domain information, which everyone may use for any lawful purpose at any time without creating any rights or obligations vis-à-vis third parties.

20 Secondly, concepts of Roman Law such as res communes omnium, res publicae or res nullius[39] originally applied to tangibles and thus rival goods like the sea, public places or holy artefacts. Due to the lack of reproduction technologies, the Romans had not yet developed a concept of an intangible like an 'invention' or a 'work' that one can possibly own. Therefore, modern neologisms like 'public domain' and 'Gemeinfreiheit' are preferable.

21 Thirdly, the public domain should be clearly distinguished from the commons.[40] This latter term describes an 'institutionalized community governance of sharing and, in some cases, creation, of information'.[41] These governance rules, whether informal or highly formalized, as in the case of open-content licences, subject the use of a particular piece of information to certain requirements. These conditions of use are often – most notably in the case of free/open-source software licences – based on IP protection. Not all rights are reserved, but some are. Commons regimes restrict access to information in one way or the other in order to establish certain modes of communication. The public domain, instead, concerns a no-rights regime where 'anyone has free access …, but no one … acquires ownership rights'.[42] This is the least access-restrictive and at the same time generic mode of information governance.

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system: A User-Rights Approach', forthcoming in Ruth Okediji (ed.), Copyright in an Age of Limitations and Exceptions (2015), available at <http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2637027> accessed 29 August 2015.

[39] UK House of Lords Donaldson v. Becket, (1774) Hansard, 1st ser. 17, 953, 999; US Supreme Court International News Service v. Associated Press, 248 U.S. 215, 234 (1923) ('a report of matters that ordinarily are publici juris; it is the history of the day'); Mark Rose, 'Romans, Roads, and Romantic Creators: Traditions of Public Property in the Information Age' (2003) 66 Law & Contemp. Probs. 89, 92 et seq.; Benabou/Dusollier (n. 11), 178.

[40] But see Litman (n. 7), 975 ('the term describes a true commons'), 1012 et seq.; Lange (n. 23), 463; Benabou/Dusollier (n. 11), 162, 166.

[41] See Charlotte Hess/Elinor Ostrom, Understanding Knowledge as Commons: From Theory to Practice (MIT Press 2006); Brett M. Frischmann/Michael J. Madison/Katherine J. Strandburg, 'Governing Knowledge Commons' in: Frischmann/Madison/Strandburg (eds), Governing Knowledge Commons (OUP 2014) 2-3.

[42] US Supreme Court Golan v. Holder, 132 S.Ct. 873, 892 (2012).

22 In sum, one can distinguish three alternative regimes governing the use of tangible and intangible goods. A good can be owned

by one or several identifiable persons (property right);

by a community composed of unspecified members (collective good/commons);

by no-one (public domain).

23 It is important to stress that the second category of collective goods also comprises goods that belong to/are owned by everyone.[43] Only very few items enjoy this exceptional status, namely monuments, natural sites and intangible 'practices, representations, expressions, knowledge, skills' that are listed as representative cultural and natural 'Heritage of Humanity' under two UNESCO Conventions.[44] UNESCO considers these items to 'belong to all the peoples of the world, irrespective of the territory on which they are located'.[45] As in all other cases of commons regimes, this understanding has a particular aim above and beyond providing access, namely to 'contribute to ensuring visibility and awareness of the significance of the intangible cultural heritage and to encouraging dialogue, thus reflecting cultural diversity worldwide and testifying to human creativity'.[46]

24 The public domain, in contrast, covers every piece of information not protected by IP rights. This broad scope corresponds to its relatively 'thin' normative content. The public domain is 'only' concerned with providing as much access to information as possible. Since this is accomplished best by avoiding all access restrictions, the concept of the public domain should also avoid notions of ownership. Accordingly, the public domain should be understood as being owned by no-one, not by everyone.[47]

25 This no-rights concept does not mean, however, that the equal freedom to use public domain information is left without legal protection. It only means that the protection cannot take the form of a property right. Instead, I will apply a con-

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[43] But see Randal C. Picker, 'Access and the Public Domain' (2012) 49 San Diego L. Rev. 1183, 1185 (equating owned by no-one and owned by all).

[44] See UNESCO Convention Concerning the Protection of the World Cultural and Natural Heritage of 16.11.1972; Art. 2(1), first sentence, Art. 16(1), first sentence, UNESCO Convention for the Safeguarding of the Intangible Cultural Heritage of 17.10.2003, MISC/2003/CLT/CH/14.

[45] <http://whc.unesco.org/en/about/> accessed 29 August 2015.

[46] Operational Directives for the Implementation of the Convention for the Safeguarding of the Intangible Cultural Heritage, as amended, Art. I.2 r 2, <http://www.unesco.org/culture/ich/en/directives> accessed 29 August 2015.

[47] Contra Drahos (n. 34), 58, 64-8 (preferring a concept of 'inclusive positive commons' because this would better help to preserve the global knowledge commons).

cept developed by German legal theorist Robert Alexy. Alexy argues that fundamental rights to undefined personal activities are to be strictly distinguished from predefined exclusive rights in or to something. To articulate this distinction, Alexy develops the notion of protected freedoms, i.e. personal freedoms legally protected by fundamental rights (bewehrte Freiheiten).[48] In the following, I will ask whether and how the equal negative liberty to use public domain information is protected in the law.

IV. The Legal Protection of the Public Domain

1. The 'Negative' Approach: Limits of IP Rights

26 The first and obvious way to preserve a robust public domain is to limit exclusive IP rights. This 'negative' approach corresponds to the essentially undefined character of the public domain: Since it is up to everyone whether and how to employ public domain information, it seems appropriate to merely shield this negative liberty from overly expanding IP rights, and to refrain from developing a positive conception of the public domain, which necessarily defines and delineates it. The 'negative' approach to the public domain is addressed to public authorities. They are called upon to limit the scope of IP protection. This claim rests upon the assumption that IP rights form an exception to the basic principle of equal negative liberty and thus the public domain. It follows from a fundamental rights analysis:[49]

27 Up until the moment an IP law enters into effect and thereby creates or extends IP rights, everyone is equally at liberty to use the respective information, unless it is confidential and thus subject to laws protecting secrets.[50] According to German and European constitutional and fundamental rights law, it is in the exclusive competence of the legislature to create exclusive IP rights. Only the rep-

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[48] Robert Alexy, Theorie der Grundrechte (3rd edn, Suhrkamp 1996), 202 et seq.; Gisbert Hohagen, 'Überlegungen zur Rechtsnatur der Kopierfreiheit' in Ansgar Ohly et al. (eds), Perspektiven des Geistigen Eigentums und Wettbewerbsrechts. Festschrift für Gerhard Schricker (C.H. Beck 2005), 353, 361.

[49] For a detailed treatment of this issue see Alexander Peukert, 'The Fundamental Right to (Intellectual) Property and the Discretion of the Legislature' in Christophe Geiger (ed.), Research Handbook on Human Rights and Intellectual Property (2015) 132-148.

[50] On the factual and non-IP based legal limits to access to public domain information see Picker (n. 43) 1183 et seq.

resentative, parliamentary consent to a new exclusive right justifies its binding effect erga omnes. Only this form ensures that the legal basis meets the requirements of the rule of law as regards foreseeability, accessibility and precision. In short: IP rights are creatures of statute.[51]

28 By establishing areas of private dominion, the legislature encroaches upon the public domain. It grants the owner a privilege of carrying out certain activities exclusively whereas all others have to refrain from this conduct in the future. Thereby, their principally equal negative liberties to access and use the information for communicative or other purposes, including commercialization, is limited.[52] Such interference always requires justification, even if it is executed in later cases.[53] It is true that the legislature enjoys a very wide margin of appreciation in IP matters. Neither the fundamental right to property nor other fundamental rights imply a specific scope of IP protection. However, there are upper constitutional limits on the legislative expansion of IPRs. At a minimum, encroachments upon the public domain and thus individual freedoms have to be justified and thus 'necessary in a democratic society'.[54]

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[51] UK House of Lords Donaldson v. Becket, (1774) Hansard, 1st ser. 17, 953; Canadian Supreme Court Théberge v. Galerie d'Art du Petit Champlain Inc., [2002] 2 S.C.R. 336, para. 5; US Supreme Court Wheaton v. Peters, 33 U.S. 591, 662-663 (1834) ('This right … does not exist at common law - it originated, if at all, under the acts of congress.'); German Federal Constitutional Court Case 1 BvL 77/78, 15.07.1981, BVerfGE 58, 300, 330 - Naßauskiesung ('The legislature creates on the level of objective laws those provisions which establish the legal position of the owner.').

[52] US Supreme Court Eldred v. Ashcroft, 537 U.S. 186, 219 (2003); US Supreme Court Golan v. Holder, 132 S.Ct. 873, 889 (2012) ('some restriction on expression is the inherent and intended effect of every grant of copyright').

[53] ECJ Case C-200/96 Metronome Musik, (1998) ECR I-1953, para. 26; Art. 52(1) Charter of Fundamental Rights of the EU ('Any limitation on the exercise of the rights and freedoms recognised by this Charter must be provided for by law and respect the essence of those rights and freedoms'). German constitutional law reaches the same result by extending the fundamental right to a 'free development of one's personality' (Art. 2(1) German Basic Law) to every human activity. See, in this respect, German Federal Constitutional Court Case 1 BvR 921/85, 06.06.1989, BVerfGE 80, 137, 152 et seq. – Reiten im Walde. For a more restrictive approach see US Supreme Court Eldred v. Ashcroft, 537 U.S. 186, 219 (2003); US Supreme Court Golan v. Holder, 132 S.Ct. 873, 890 (2012) (given the idea/expression dichotomy and the fair use defence, retroactive term extension does not merit a review with regard to the freedom of speech); but see also ibid. 891-2 ('Neither this challenge nor that raised in Eldred, we stress, allege Congress transgressed a generally applicable First Amendment prohibition; we are not faced, for example, with copyright protection that hinges on the author's viewpoint.').

[54] See Art. 10 European Convention of Human Rights; European Court of Human Rights, Neij and Sunde Kolmisoppi v. Sweden, App. No. 40397/12 (2013). Under U.S. law, the justification requirement is embodied in the Copyright Clause of the U.S. Constitution, which not only grants Congress the authority to enact copyright laws but also ties this power to the aim of 'promot[ing] the Progress of Science'; see US Supreme Court Eldred v. Ashcroft, 537 U.S. 186, 192-193 (2003); US Supreme Court Golan v. Holder, 132 S.Ct. 873, 884-889 (2012).

29 This general justification requirement grows in importance when the existing scope of IP protection is already broad. The wider exclusivity already extends, the higher is the threshold for considering further expansions 'necessary in a democratic society'. The legislature has to show that, for example, a longer term of copyright protection actually helps the right owner to live an autonomous life in the economic sphere. If only few right holders benefit from such a measure, the weaker is its justification, and the stronger is the concern to preserve the equal freedom of every person.

30 Retroactive term extensions are particularly debatable in this context. It seems to be international practice to apply longer terms of IP protection not only to subject matter created after the coming into force of the new law, but also to already existing subject matter, provided that it is still protected at the respective date.[55] Under EU law, it is even sufficient if the respective work is protected in one single EU Member State, even if it is in the public domain in all other Member States.[56] In order to comply with the TRIPS Agreement, U.S. law has also granted protection to foreign works which were protected in their country of origin but lacked copyright protection in the U.S.[57] Though this practice does not amount to a 'true' and blatantly unconstitutional retroaction because it only covers activities from the date when the new law enters into effect, such suspension or postponement of the public domain requires justification. The aim to establish uniform market conditions in the EU is not enough for that purpose.[58] Instead, the legislature has to show that and why such a severe limitation of the equal freedom to use public domain information is 'necessary' in order to foster the aims of IP law.[59] Again, the more exclusivity the owner has already enjoyed, and the longer the general public has been free to use the information concerned, the more difficult it becomes to argue that (re-)establishing IP protection is indeed called for. In any event, an unlimited term of copyright or patent pro-

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[55] Cf. Art. 18(2) Berne Convention, Art. VII World Copyright Convention, Art. 13 WIPO Copyright Treaty, Art. 22 WIPO Performances and Phonograms Treaty, Art. 70(3) TRIPS.
[56] Cf. ECJ Case C-240/07 Sony Music, ECLI:EU:C:2009:19, paras 22-5; CJEU Case C-168/09 Flos, ECLI:EU:C:2011:29, paras 32-4.
[57] 17 U.S.C. § 104A; US Supreme Court Golan v. Holder, 132 S.Ct. 873, 892 (2012).
[58] Contra CJEU Case C-168/09 Flos, ECLI:EU:C:2011:29, para. 43.
[59] See US Supreme Court Golan v. Holder, 132 S.Ct. 873, 887-9 (2012) (copyright supplies the economic incentive not only to create but also to disseminate preexisting ideas).

tection would clearly run afoul of communicative freedoms.[60] It would turn the principle of equal freedom to use public information and the exception of exclusive IP rights on its head.

31 If IP rights have been established by IP laws, German and European fundamental rights require that their deprivation or the control of their use find a foreseeable basis in the law.[61] Again, it is the legislature who has to provide for the respective regulations. Accordingly, it is the legislature who is called upon to justify such interferences with the fundamental right to property.

32 The respective legislative scheme should generally reflect the hierarchy of norms with the public domain at the top. If exclusive rights are codified in an open-ended manner so that courts are able to react to new technological and social circumstances, exceptions and limitations should be worded in a flexible manner too. Current European and German copyright laws do not reflect this structural symmetry. They provide for an open-ended minimum level of exclusivity and a closed list of exceptions and limitations with the international three-step test as the ceiling of any specific public domain.[62]

33 Regardless of this criticism concerning the overall legislative IP framework, the task of the courts is to apply it as it stands, not to rewrite it.[63] Trivial as this claim may seem at first glance, it can have significant effects on the preservation of the public domain. First, exclusivity extends only so far as it is provided for in the law. Today's level of protection must not be interpreted beyond what was clearly envisaged by the legislature because that level is already way beyond the constitutional minimum of property protection. Since IP rights depart from the basic norm of equal negative liberty or, put metaphorically, IP rights are 'islands of exclusivity in an ocean of freedom',[64] the scope of exclusivity must not

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[60] German Federal Constitutional Court Case 1 BvR 766/66, 8.7.1971, BVerfGE 31, 275 para. 37 – Bearbeiter-Urheberrechte; US Supreme Court Graham v. Deere, 383 U.S. 1, 5-6 (1966).

[61] See Art. 1(1), second sentence, and Art. 1(2) of Protocol No. 1 European Convention of Human Rights; Art. 17, No. 1, second and third sentence, Charter of Fundamental Rights of the EU; Art. 14(2) and (3) German Basic Law.

[62] P. Bernt Hugenholtz, 'Copyright and Freedom of Expression in Europe' in Niva Elkin-Koren and Neil Weinstock Netanel (eds), The Commodification of Information (Kluwer 2002) 239, 250-1 ('open rights, closed exemptions').

[63] See Peukert (n. 49); Kimble v. Marvel Entertainment, 135 S.Ct. 2401, 2413 (2015) ('the patent laws do not turn over exceptional law-shaping authority to the courts').

[64] Christophe Geiger, 'Fundamental Rights, a Safeguard for the Coherence of Intellectual Property Law?' (2004) 35 IIC 268, 272.

be interpreted extensively.[65] The fundamental right to property does not imply a 'high level of protection' logic.[66] There is no such legal principle as 'if ue - then right'.[67]

34 Second, statutory limitations and exceptions and thus the specific public domain must not be applied in a restrictive way. The German Federal Constitutional Court has stressed that both copyright and its limitations are underpinned by fundamental rights – namely, the fundamental right to property on the one hand, and, for example, the fundamental right to freedom of expression on the other. Therefore, limitations and exceptions must be interpreted neither restrictively nor extensively but according to what they are meant to cover under the legislative scheme.[68]

35 Third, courts have to consider the public domain as an integral part of the IP system as a whole. This requirement is particularly important for a proper adjudication of so-called overlaps of rights.[69] These overlaps not only concern the parallel applicability of two IP rights, but also the situation that certain information or a certain use of information is subject to one IP law but is in the public domain according to another IP regime. For example, classical paintings such as the Mona Lisa may long have 'fallen into the public domain'. If reproductions of the painting are, however, protected as simple photographs by copyright or a neighbouring right, as is the case in Germany,[70] the owner of the original painting is still able to control the use of the picture, in particular for merchandising purposes. In order to realize the public domain status of the original work, the rights in photographs should be interpreted restrictively. At least reproductions of two-dimensional public domain works such as paintings or old books should

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[65] US Supreme Court Kimble v. Marvel Entertainment, 135 S.Ct. 2401, 2407 (2015) ('This Court has carefully guarded that cut-off date, just as it has the patent laws' subject-matter limits').

[66] ECJ Case C-456/06 Peek & Cloppenburg (2008) ECR I-2731, paras 37 et seq.; Alexander Peukert, 'Intellectual Property as an End in Itself?' (2011) European Intellectual Property Review, 67 et seq.

[67] Alexander Peukert, Güterzuordnung als Rechtsprinzip (Mohr Siebeck 2008) 740-741.

[68] German Federal Constitutional Court Case 1 BvR 1145/11, 17.11.2011, Neue Juristische Wochenschrift 2012, 754, 755 with further references; CJEU Joined Cases C-403/08 and C-429/08, Football Association Premier League and Others and Karen Murphy, ECLI:EU:C:2011:631, paras 163-4; Canadian Supreme Court CCH Canadian Ltd. v. Law Society of Upper Canada, 1 S.C.R. 339, para. 48 (2004) (interpretation of fair dealing); but see CJEU Case C-435/12 ACI Adam, ECLI:EU:C:2014:254, paras 22-23 (strict interpretation of limitations and exceptions to copyright).

[69] See Estelle Derclaye and Matthias Leistner, Intellectual Property Overlaps (Hart Publishing 2011).

[70] Cf. Sec. 72 German Copyright Act (English version available at <http://www.gesetze-im-internet.de/englisch_urhg/index.html>).

therefore also be considered to be in the public domain. In this case, the public domain of the original work trumps overlapping rights in digital reproductions.[71] The result is different when a public domain work such as the Mona Lisa is registered as a trademark.[72] Trademark law takes priority over the copyright public domain, for rights in a trademark do not monopolize the picture as such, but only its use and function as a sign distinguishing the products of one enterprise from those of another. Only with respect to this communicative function has the trademark owner acquired exclusive rights in a public domain work. The accrual of trademark protection follows from a legitimate exercise of the equal negative liberty of every person to commercialize the work. The first person to give secondary meaning to the Mona Lisa in the sense that it is not only a picture but also a brand for a certain product deserves protection for the newly created 'secondary meaning'. In sum, overlaps or conflicts between the public domain and IP rights have to be resolved by analyzing the subject matter, scope and purpose of the applicable rights and freedoms.

2. The 'Positive' Approach: Sanctioning Private Appropriations of Public Domain Information

36 As explained, the 'negative' or limitative approach to preserve and protect the public domain by limiting IP protection is addressed to public authorities. Both the legislature and the judiciary have to respect the equal negative liberties of every person to use public information by keeping the scope of IP protection limited. The 'negative' concept proves insufficient, however, if private actors transgress the outer limits of IP protection and claim rights where there are none. Such private appropriations of public domain information also call for a legal sanction. First, competitors and other persons may abstain from legitimately exercising their individual freedom because they fear the serious conse-

[71] German Federal Supreme Court Case I ZR 14/88, 8.11.1989, GRUR 1990, 669, 673 – Bibelreproduktion; Felix Laurin Stang, Das urheberrechtliche Werk nach Ablauf der Schutzfrist. Negative Schutzrechtsüberschneidung, Remonopolisierung und der Grundsatz der Gemeinfreiheit (Mohr Siebeck 2011) 187.

[72] See, for example ECJ Case C-283/01 Shield Mark, ECLI:EU:C:2003:641 (trade marks consisting of a musical stave with the first nine notes of the musical composition 'Für Elise', by Ludwig van Beethoven); but see CJEU Case C-205/13 Hauck, EU:C:2014:2233, paras 18, 31 (trade mark rights in shapes must not effectively extend indefinitely the life of other, time-limited IP rights).

quences of an IP infringement. Second, unjustified private appropriations of the public domain disturb the delicate overall balance between exclusivity and freedom as codified in IP law.[73]

37 The legal institutions to counter such private interferences with the public domain cannot be derived from property law and property theory because the conflict of interest occurs beyond the boundaries of IP law. The opponent of the supposed right holder argues that the respective information is freely available for everyone. Such a public domain defence ultimately requires a positive conception of the public domain as a subject matter of private law. Thus, the question is: Which rules and principles of procedural and substantive law protect the equal negative liberty of every person to use public information not protected by IP rights?

a) Procedural Safeguards of the Public Domain

38 Procedural law provides a number of tools to protect the public domain. First, the acquisition of most IP rights is subject to procedural requirements. The higher the respective threshold, the more difficult it is for the applicant to reach an 'island of exclusivity'. Most industrial property rights accrue only upon registration (opt in).[74] Without such registration, inventions, designs and other innovations automatically form part of the freely available state of the art as soon as they are made available to the public. Thus, the requirement of registration mirrors the basic norm that disclosed information is in the public domain. If the IP office conducts not only a formal but also a substantive examination as to the protectability of the subject matter, it acts as a guardian of the public domain. And even purely formal registration and renewal proceedings play an important role in the preservation and expansion of the public domain because many potential right holders forego the chance to apply for and finally register a right. The importance of formal requirements for protection is also exemplified by the

[73] Kimble v. Marvel Entertainment, 135 S.Ct. 2401, 2407 (2015); Jason Mazzone, Copyfraud and Other Abuses of Intellectual Property Law (2011).

[74] Art. 62(1) TRIPS; Art. 86 European Patent Convention; Arts 46-7 Community Trade Mark Regulation 207/2009 (n. 25), Art. 13 Council Regulation (EC) No. 6/2002 of 12.12.2001 on Community designs, OJ L 3/1.

phenomenon of orphan works in copyright.[75] The massive problem of many effectively locked works whose owner is either unknown or absent could only accrue because copyright comes into existence automatically with the act of creation and lasts until 70 years after the death of the author. It can only be solved by legalizing massive digitization projects (with the proviso that the right holder may opt out) or by reintroducing copyright formalities.[76]

39 Second, opposition, revocation and cancellation proceedings help to delete registrations that unjustifiably claim public domain information. Remarkably, the TRIPS Agreement sets out certain minimum requirements on these invalidity proceedings. According to Article 62 para. 4 of the agreement, 'where a Member's law provides for such procedures, administrative revocation and inter partes procedures such as opposition, revocation and cancellation, shall be governed by the general principles set out in paragraphs 2 and 3 of Article 41'. Consequently, just like applications for registered IP rights, invalidity proceedings also have to be fair and equitable and may not be unnecessarily complicated or costly or entail unreasonable time-limits or unwarranted delays.[77] The TRIPS Agreement thus applies the same procedural principles to registration and invalidity proceedings. The overall aim is to ensure that only protectable subject matter finds its way into the register.

40 In order to regulate invalidity proceedings in a fair and equitable manner, the respective provisions have to take into account that the claimant in these proceedings does not pursue an individual interest in gaining exclusivity but is defending the free availability of public domain information to the benefit of everyone. As the much smaller number of invalidity proceedings compared to IPR applications reveals, the incentive to act as a private attorney general of the public domain is small.[78] Accordingly, procedural law has to compensate for this

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[75] See US District Court for the Southern District of New York, Authors Guild v. Google, Case 1:05-cv-08136-DC (2013); Directive 2012/28/EU of the European Parliament and of the Council of 25.10.2012 on certain permitted uses of orphan works, OJ L 299/5.

[76] See Katharina de la Durantaye, 'Finding a Home for Orphans: Google Book Search and Orphan Works Law in the United States and Europe' (2011) 21 Fordham Intell. Prop. Media & Ent. L.J. 229; Stef van Gompel, Formalities in Copyright Law. An Analysis of Their History, Rationales and Possible Future (2011).

[77] Carlos Correa, Trade Related Aspects of Intellectual Property Rights. A Commentary on the TRIPS Agreement (2007) para. 414; Daniel Gervais, The TRIPS Agreement: Drafting History and Analysis (4th edn 2012) paras 2.462, 2.353.

[78] See Alexander Peukert, 'A European Public Domain Supervisor' (2011) IIC 125-129.

weakness by making invalidity proceedings available on easier and cheaper terms as compared to registration proceedings.

41 Indeed, German and European industrial property laws allow everyone to file opposition and cancellation proceedings at any time. The claimant need not show a legitimate interest to take such legal action.[79] As a result, a law firm can successfully challenge the registration of a purely descriptive trademark for washing powder.[80] Moreover, offices and courts are to examine the facts of their own motion and may not be restricted in this examination to the facts, evidence and arguments provided by the parties or the relief sought.[81] Finally, the office and court fees for patent opposition and cancellation proceedings are generally lower than registration and renewal fees.[82] While this cost structure correctly reflects the weak incentives to defend the public domain against unjustified entries into the IP registers, the opposite is true with regard to utility models and designs under German law, which are cheaper to acquire than to challenge. This solution is primarily concerned with the budget of the German patent office, which enters into a costly examination on the merits only upon an invalidity claim.[83] However, the rules on office and court fees are of significance beyond their direct financial effects. They also have to be judged in light of the 'fair and equitable' possibility to defend the public domain as required under Article 62 para. 4 TRIPS.

42 Similar objections can be raised against the language rules governing the future European Patent with Unitary Effect (EPUE), according to which the specifications of the EPUE are to be published in one of the three official languages of the EPO, English, French or German, and are to include a translation of the claims in the other two. A full translation into the other languages of the participating Member States in which the EPUEs will be in force will be necessary on-

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[79] Secs 59, 81(3) German Patent Act; Sec. 15(1) German Utility Models Act; Secs 54(1), 55(2) No. 1 German Trademark Act; Arts 25, 52(1), 84(1)(2) Community Design Regulation 6/2002 (n. 74); Arts 40, 56(1)(a) Community Trade Mark Regulation 207/2009 (n. 25); on U.S. law see R.W. Jacobs, 'In Privity With the Public Domain: The Standing Doctrine, the Public Interest, and Intellectual Property' (2014) 30 Santa Clara High Tech. L.J. 415, 427 et seq.

[80] CJEU Case C-408/08 Lancôme, ECLI:EU:C:2010:92, paras 40 et seq.

[81] Secs 87 German Patent Act; Secs 17(2), 18(2) German Utility Models Act; Secs 59, 73 German Trademark Act; Art. 114 European Patent Convention; Art. 76 Community Trade Mark Regulation 207/2009 (n. 25).

[82] See Peukert (n. 6), 156-159.

[83] Ibid.

ly in the event of a dispute relating to an alleged infringement of an EPUE.[84] The aim of this language regime is to eliminate the current translation requirements under the EPC because these 'constitute an obstacle to patent protection within the European Union'.[85] Patent law must, however, not only aim at maximizing 'access to patent protection'[86] but it has to provide the public with information about the patents in force and the freely available state of the art. Patents have to disclose the invention in a manner sufficiently clear and complete for it to be carried out by a person skilled in the art.[87] Patents in a foreign language do not comply with this basic disclosure requirement because – contrary to the unproven and overly optimistic assertion of Advocate General Bot – not every 'European researcher' is capable of understanding patents written in English, let alone those published in French or German.[88] If machine translation systems also turn out to be wishful thinking,[89] the EPUE language regime is nothing but a massive assault on the public domain.

43 The third and final institution of procedural law of relevance for an effective preservation of the public domain is the allocation of the burden of proof that a certain intangible is or is not protected by an IP right. Since the right holder claims an exceptional privilege vis-à-vis the world, it is up to her to show and prove the existence and validity of the IP right.[90] Presumptions of validity are justified only if and in so far as the protectability of an IP right has already been examined ex officio by a patent office. Thus, unexamined rights such as utility

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[84] See Arts 3-6 Council Regulation (EU) No. 1260/2012 of 17 December 2012 implementing enhanced cooperation in the area of the creation of unitary patent protection with regard to the applicable translation arrangements, OJ L 361/89.

[85] CJEU Case C-147/13 Kingdom of Spain v Council of the European Union, ECLI:EU:C:2015:299, para. 36. Critical Reto M. Hilty et al., 'The Unitary Patent Package: Twelve Reasons for Concern' (2012) Max Planck Institute for Intellectual Property & Competition Law Research Paper No. 12-12, available at <http://ssrn.com/abstract=2169254> accessed 29 August 2015.

[86] CJEU Case C-147/13 Kingdom of Spain v. Council of the European Union, ECLI:EU:C:2015:299, para. 34.

[87] Art. 83 European Patent Convention.

[88] Contra Opinion of Advocate General Bot, Case C-147/13 Kingdom of Spain v. Council of the European Union, para. 58.

[89] CJEU Case C-147/13 Kingdom of Spain v. Council of the European Union, ECLI:EU:C:2015:299, para. 87 (no guarantee that machine translation will function properly).

[90] See German Federal Supreme Court Case I ZR 19/07, 22.1.2009, GRUR 2009, 942 para. 15 – Motezuma (copyright); German Federal Supreme Court Case I Xa ZR 2/08, 17.9.2009, BGHZ 182, 245 para. 15 – MP3-Player-Import (patent law); US Supreme Court Medtronic v. Mirowski Family Ventures, 134 S.Ct. 843, 850 (2014).

models, design rights and copyrights have to be proven by the supposed right holder in infringement proceedings as existing and valid.[91]

b) The Protection of the Public Domain in Contract and Tort Law

44 If applied rigorously, these procedural tools help to assure that administrative bodies and courts do not grant and enforce exclusive rights where equal freedom should reign. However, private appropriations of public domain information also occur outside of formal procedures, i.e. in the course of market transactions and public communication. Does substantive private law sanction such out-of-court interferences with the public domain? To answer this question, one has to distinguish contractual and non-contractual situations.

aa) Contract Law

45 Freedom of contract can be both an enabler of the public domain and a tool to restrict it. The enabling function of party autonomy is concerned when right holders surrender or waive their IP rights and thereby establish a 'contractual public domain'.[92] This result is clearly documented if a registered right is not renewed or if a surrender is entered in the register.[93] The legal status of an intangible is not so obvious, however, if it is potentially protected by an unregistered right, in particular copyright. In this case, no formal procedure evinces the coming into existence or the demise of the IP right. In this case, a waiver of IP rights is effectuated in analogy to the abandonment of ownership in movables. According to Section 959 of the German Civil Code, a movable thing becomes ownerless if the owner, in the intention of waiving ownership, gives up the possession of the thing. Since intangibles are not held in possession, the right holder has to take other steps to express in a sufficiently clear and permanent

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[91] German Federal Supreme Court Case I ZR 19/07, 22.1.2009, GRUR 2009, 942 paras 17-8 – Motezuma; but see German Federal Supreme Court Case I ZR 204/05, 3.7.2008, GRUR 2008, 1081 paras 21-3 – Starlight (defendant has to prove that the reproduced expression is in the public domain). On problematic presumptions of validity in EU and German design protection law see Peukert (n. 6), 188-200.

[92] Supra n. 29.

[93] Sec. 20(1) No. 1 German Patent Act, Sec. 23(3) No. 1 German Utility Models Act, Sec. 48 German Trademark Act, Art. 51 Community Design Regulation 6/2002 (n. 74), Art. 50 Community Trade Mark Regulation 207/2009 (n. 25).

way that she wants to surrender all rights in the subject matter. One way to do this is to use a formal Creative Commons CC0-licence according to which 'no rights are reserved' any longer.[94] In contrast, merely making copyrighted content available on the internet without further explanation does not amount to a waiver of copyright. By such act, the author implicitly consents to common and foreseeable uses of her work on the internet, namely downloads and hyperlinks. But she does not surrender all rights for all time.[95] In order to increase public domain awareness and to improve legal certainty, it would be of high importance to develop a globally accepted sign that clearly marks the public domain status of a work.[96]

46 But even if the author unequivocally declares her intent to release her work into the public domain, the German Copyright Act does not give effect to this autonomous decision. It explicitly states that copyright is not transferrable.[97] The prevailing opinion concludes that the author is not entitled to waive her copyright with effect erga omnes.[98] This conclusion, however, disregards the fact that the statutory limitations of the power of the author to dispose of her copyright are meant to protect the author vis-à-vis producers with stronger bargaining power. Public domain dedications, in contrast, do not concern such an asymmetric bilateral relationship. In this case, the author decides to surrender, not to transfer, exclusivity. There is also no opponent with stronger bargaining power. Thus, authors are free to waive all exploitation rights under German copyright law. Only the core of moral rights is reserved.[99]

47 But as already indicated, freedom of contract can also be a tool to limit the scope of the public domain. For example, end user licence agreements often

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[94] <http://creativecommons.org/choose/zero/waiver> accessed 29 August 2015.

[95] German Federal Supreme Court Case I ZR 69/08, 29.4.2010, BGHZ 185, 291 paras 34-36 – Vorschaubilder; Alexander Peukert, 'Der digitale Urheber' in Winfried Bullinger et al. (eds), Festschrift für Artur-Axel Wandtke zum 70. Geburtstag (C.H. Beck 2013) 455 et seq.

[96] Clark D. Asay, 'A Case for the Public Domain' (2013) 74 Ohio St. L.J. 753, 801-2; European Parliament resolution of 9 July 2015 on the implementation of Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society (2014/2256(INI)), para. 31 ('Calls on the Commission to effectively safeguard public domain works, which are by definition not subject to copyright protection; urges the Commission, therefore, to clarify that once a work is in the public domain, any digitisation of the work which does not constitute a new, transformative work, stays in the public domain; also calls on the Commission to examine whether rightholders may be given the right to dedicate their works to the public domain, in whole or in part').

[97] Sec. 29(1) German Copyright Act.

[98] See Haimo Schack, Urheber- und Urhebervertragsrecht (7th edn, Mohr Siebeck 2015) para. 346.

[99] Peukert (n. 6), 205-11.

prohibit uses that are lawful under copyright exceptions and limitations.[100] Some patent licences reach beyond the scope of the licensed patent, in particular by obliging the licensee to pay royalties even after the patent has expired.

48 Generally, such contractual limitations of the freedom to use public domain information are valid. The whole idea of party autonomy is to allow parties to submit to obligations that otherwise don't exist in exchange for certain benefits. Licence contracts beyond the scope of exclusive IP rights do not put an end to the public domain in general because they only bind the parties to the contract. If they see a benefit in relinquishing their freedom, so be it. Only in exceptional circumstances are contractual limitations of the public domain therefore null and void.[101]

49 First, licence contracts about public domain information can have as their object or effect the prevention, restriction or distortion of competition. According to erstwhile German court practice, a licence contract beyond the scope of an IP right was per se an anticompetitive agreement and therefore null and void.[102] Under the currently prevailing 'more economic approach', this rule has become much more flexible. According to the Guidelines of the European Commission on technology transfer agreements,

50 parties can normally agree to extend royalty obligations beyond the period of validity of the licensed intellectual property rights without falling foul of Article 101(1) TFEU. Once these rights expire, third parties can legally exploit the technology in question and compete with the parties to the agreement. Such actual and potential competition will normally be sufficient to ensure that the obligation in question does not have appreciable anti-competitive effects.[103]

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[100] See Manfred Rehbinder and Alexander Peukert, Urheberrecht (17th edn, C.H. Beck 2015) paras 1157 et seq.

[101] Supreme Court of the German Reich Case I 119/14, 21.11.1914, RGZ 86, 45, 55; Swiss Federal Court BGE 101 II 102, 104 (1975); US Supreme Court Kimble v. Marvel Entertainment, 135 S.Ct. 2401, 2416 (2015) (Alito, J., dissenting).

[102] German Federal Supreme Court Case X ZR 14/03, 5.7.2005, GRUR 2005, 845, 846 – Abgasreinigungsvorrichtung; ECJ Case C-193/83 Windsurfing International, ECLI:EU:C:1986:75, paras 26 et seq. US law reaches the same result on the basis of the patent misuse doctrine; see US Supreme Court Brulotte v. Thys Co., 379 U.S. 29, 85 (1964); US Supreme Court Kimble v. Marvel Entertainment, 135 S.Ct. 2401, 2405 et seq. (2015).

[103] Communication from the European Commission, Guidelines on the application of Article 101 of the Treaty on the Functioning of the European Union to technology transfer agreements, OJ C 89/3, 28.3.2014, para. 187; US Supreme Court Kimble v. Marvel Entertainment, 135 S.Ct. 2401, 2416 et seq. (2015) (Alito, J., dissenting)

51 This reasoning is unconvincing. It disregards the positive dynamic effects of the public domain on competition and innovation.[104] These effects are in many cases brought about best by licensees who are already familiar with the technology at stake. If the former right holder manages to eliminate these potential competitors, she may enjoy de facto exclusivity, in particular if there are high barriers to entry the respective market.[105] This market power is, however, illegitimate because it runs contrary to the policy 'that the day after a patent lapses, the formerly protected invention must be available to all for free'.[106] In consideration of these concerns, non-challenge clauses in exclusive licence agreements are rightly considered valid only if they are combined with a termination right so that the licensee is free to choose between continuing the exclusive licence and using the technology at her own risk.[107] Post-patent royalty provisions in licence agreements should also be considered anti-competitive and thus incompatible with Art. 101 TFEU, unless the licensor can show that they produce efficiencies that outweigh their anti-competitive effects.

52 Further limits to contractual restrictions of the public domain arise from general contract law. In particular, standard business terms that prohibit otherwise free uses of information may be considered unfair and ineffective if, contrary to the requirement of good faith, they cause a significant imbalance in the parties' rights and obligations arising under the contract, to the detriment of the consumer.[108] Individually negotiated contracts are void if they are contrary to public policy.[109] As explained, these general limits of party autonomy apply, however, only in exceptional cases. While agreeing to refrain from using or paying for public domain information is not per se unfair or contrary to public policy, clauses that expressly prohibit quotations or free transformative uses of works are

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[104] Josef Drexl, 'Wettbewerbswidrige Lizenzgebühren: Ein Plädoyer für eine "teilweise" Rückbesinnung auf die Inhaltstheorie' in Christian Alexander et al. (eds), Festschrift für Helmut Köhler zum 70. Geburtstag (C.H. Beck 2014) 85, 99.

[105] See US Supreme Court Kimble v. Marvel Entertainment, 135 S.Ct. 2401, 2412-3 (2015).

[106] US Supreme Court Kimble v. Marvel Entertainment, 135 S.Ct. 2401, 2412 (2015).

[107] European Commission (n. 103) para. 133-40; Art. 5(1)(b) Regulation (EU) No. 316/2014 of 21.3.2014 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of technology transfer agreements, OJ 93/17. For US law see US Supreme Court Scott Paper Co. v. Marcalus Mfg. Co., 326 U.S. 249 (1945) (agreement to refrain from challenging a patent's validity unenforceable).

[108] See Art. 3 Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts, OJ L 95, p. 29; Sec. 307 German Civil Code.

[109] Sec. 138(1) German Civil Code.

null and void. These core public domain communicative freedoms are indispensable vis-à-vis other private parties.[110]

53 The observation that most contracts about public domain information are valid and binding does not imply a carte blanche to appropriate free information by contractual means. To license information in which the licensor holds no exclusive right may trigger contractual liability.[111] In that regard, it is generally acknowledged that the seller or licensor of an IP right can be held liable under German law if she is not the owner of the right or there is no right registered in the first place.[112] German courts and the prevailing opinion in legal literature, however, deny any responsibility of the seller/licensor if the buyer/licensee only discovers after the conclusion of the contract that the right at stake is invalid. In other words, the seller/licensor cannot be held liable for the validity of the IP right. It is argued that the buyer/licensee enters into a speculative transaction at her own risk. If the supposed owner refrains from using the technology etc., the acquirer has received for what she has paid for, namely, the economic benefit of an undisturbed use of the subject matter of the contract. If she wants to hedge the risk of buying/licensing public domain information, she must negotiate a respective guarantee of the seller/licensor. Only if the right has been revoked or all competitors in the market ignore the obviously invalid legal title may the buyer/licensee terminate the contract under the principle of clausula rebus sic stantibus. She is, however, not entitled to reclaim all or at least part of the purchase price or licence fees she has already paid.[113] Since the royalties remain with the seller/licensor, selling or licensing public domain information - for example a technology which is not new - is not a risky, but a potentially promising business model.

54 This cannot be the law.[114] Selling or licensing an invalid IP right does not merely concern changes in the circumstances which form the basis of the contract

[110] Peukert (n. 6), 227-34.
[111] Peukert (n. 6), 234-246.
[112] Rudolf Kraßer, Patentrecht, Ein Lehr- und Handbuch zum deutschen Patent- und Gebrauchsmusterrecht, Europäischen und Internationalen Patentrecht (6th edn, C.H. Beck 2009) 946, 948.
[113] German Federal Supreme Court Case I ZR 162/09, 2.2.2012, ZUM-RD 2012, 514 paras 17 et seq. – Delcantos Hits.
[114] Eike Ullmann, 'Versprechen mit leerem Inhalt? – Gedanken zum Handel mit Scheinrechten' in Bücher et al. (eds), Festschrift für Joachim Bornkamm zum 65. Geburtstag (C.H. Beck 2014) 75 et seq.

(clausula rebus sic stantibus) but a case of non-performance on the side of the seller/licensor. The contract obliges her to transfer or license a right which she claims to own. The buyer/licensee wants to acquire a valid legal title and not an obscure and random economic benefit. The obstacle to performing this obligation already exists when the contract is entered into because the subject matter never fulfilled the legal requirements for protection. In such a constellation, Section 311a of the German Civil Code entitles the buyer/licensee to demand, at her option, damages in lieu of performance or reimbursement of her expenses, unless the seller/licensor can prove that she was not aware of the invalidity when entering into the contract and that she is also not responsible for her lack of awareness.

55 Moreover, only this straightforward application of general contract law reflects the public domain status of the subject matter of the contract. It is not protected because it is not new, not inventive or original enough etc. Such information must be free for everyone to use. Its economic value should be attributed to those who actively exercise this freedom, and not to a person who does nothing but illegitimately claim to own it.

56 In effect, the seller/licensor is obliged to refund payments as the minimum amount of damages unless she can show that she is not responsible for her lack of awareness that the right is invalid. To this end, she must prove that she exercised reasonable care when entering into the contract. The key question is to what extent a supposed right holder has to examine the validity of an IP right she claims is her own. Whereas she may well rely on the examination of patentability by the patent office, she has to investigate the protectability of subject matter such as a utility model or product design that is not examined by a patent office. How far this obligation extends depends on the circumstances of the case. The more experienced a supposed right holder and the more limited the respective state of the art, the more exhaustive her efforts have to be.

57 A contributory negligence on the part of the buyer/licensee of public domain information can lead to a reduction of the damage or compensation due.[115] As a rule of thumb, a negligent seller/licensor has to refund at least 50% of the royal-

[115] Cf. Sec. 254(1) German Civil Code.

ties she has incurred. This overall result sets an incentive for all parties involved to not negligently treat public domain information as commodified information.

bb) Tort Law

58 Last but not least, private appropriations of public domain information also occur outside of contractual relationships. Examples concern advertisements and warning letters in which a supposed right holder claims nonexistent or invalid IP rights.

59 The advertisement scenario is regulated in Section 5 of the German Unfair Competition Act. The provision prohibits misleading and thus unfair commercial practices. A commercial practice is deemed to be misleading inter alia 'if it contains untruthful information or other information suited to deception regarding … the rights of the entrepreneur such as his assets, including intellectual property rights'. On the basis of this rule and its predecessors, German courts have granted injunctions against advertisers alleging patents and other industrial property rights that were not registered in Germany and therefore nonexistent.[116] Even if the advertiser holds a registered right, its representation in the promotion of a good or service is misleading if the formally existent title, for example an unexamined design right or utility model, is obviously invalid.[117]

60 Promoting products with nonexistent or invalid IP rights may have some effect on commercial decisions of competitors and consumers. Unjustified warning letters constitute a more serious encroachment upon the public domain. In light of the difficulties of assessing the correctness of the allegation and the serious consequences of an infringement of IP rights, competitors will often cease and desist. Only if the core of their operations is concerned will they defend the public domain, if necessary in court. This asymmetry becomes even stronger if a supposed right holder sends warning letters to customers of a competitor, alleging that they have distributed infringing products and thus face serious IP remedies themselves. In such a situation, most customers will terminate their rela-

[116] Andreas Ebert-Weidenfeller and Simone L. Schmüser, 'Werbung mit Rechten des geistigen Eigentums' (2011) GRUR-Prax 74 with further references.
[117] Düsseldorf Regional Court Case 2 U 145/97, 1.10.1998, WRP 1999, 218 – Schaukelpferd.

tionship with the former supplier and switch to its competitor, who claims to hold superior rights in the product at stake.

61 In spite of the competitive significance and dissuasiveness of unjustified warning letters, this scenario has not been regulated explicitly in German law. Unfair competition law and the tort of intentional damage contrary to public policy (Sec. 826 German Civil Code) both require that the tortfeasor has positive knowledge of those facts that justify a finding of unfairness or violation of public policy.[118] This awareness is very hard to prove when it comes to the invalidity of formally registered IP rights.

62 This result would leave the freedom of competitors and their customers to commercially use public domain information effectively without protection. Market participants could claim IP infringements with very little risk. If the addressee submits to the easily stated claim, the person sending the letter can significantly improve her competitive position. And even if a competitor defends her (and everyone's) freedom in court by denying infringement, procedural law does not allow the alleged infringer to recover all losses, in particular those following from a temporary stop of production in order to evaluate the justification of the claim.

63 This asymmetry was already found by the Supreme Court of the German Reich to be intolerable. As early as 1904, the Reichsgericht held that a competitor who is faced with an objectively false IP infringement allegation is entitled to claim damages even if the supposed right holder acted negligently.[119] The Reichsgericht based this conclusion on an obscure 'right in the established undertaking'. The proper justification for this tort was only articulated 100 years later by the Bundesgerichtshof.[120] The court rightly defended the original approach of the Reichsgericht against critique articulated by lower courts and the majority of legal scholars. The court stressed the legal necessity to preserve and protect the freedom to conduct a business without interference by other private actors. Like the Reichsgericht, the Bundesgerichtshof opined that the competitive significance of IP rights and the serious consequences of an IP in-

[118] See Alexander Peukert, § 3 Act Against Unfair Competition paras 362-383 in Otto Teplitzky, Karl-Nikolaus Peifer and Matthias Leistner (eds), UWG. Großkommentar zum Gesetz gegen den unlauteren Wettbewerb mit Nebengesetzen (2nd edn, De Gruyter 2014).
[119] Supreme Court of the German Reich Case I 418/03, 27.2.1904, RGZ 58, 24 – Juteplüsch.
[120] German Federal Supreme Court Case GSZ 1/04, 15.7.2005, BGHZ 164, 1 - Unberechtigte Schutzrechtsverwarnung.

fringement require a legal correlate. Those who claim to hold such a privileged position are responsible for the correctness of their allegations.

64 It is important to note that this obligation and the tort of unjustified warning letters are not derived from a right to property, for neither party involved can claim such a right. Instead, the Bundesgerichtshof protects the fundamental rights underlying the public domain – in this case the freedom to conduct a business using public domain information – against private interference. Fundamental rights bind the German judiciary as directly applicable law (Art. 1(3) German Basic Law). They moreover incorporate an objective (i.e., general and abstract) set of values that applies to the whole legal order including private law. Civil courts as public authorities have a duty to protect these freedoms and values in private relationships if without this intervention autonomy is systematically turned into heteronomy, or, in other words, only might makes right.[121]

65 On the basis of this horizontal effect of fundamental rights as between private parties, the Bundesgerichtshof has reconfirmed the uncodified rule that unjustified IP warning letters are per se illegal. Whoever negligently breaches this rule is liable to compensate those who suffer damages arising from this. Irrespective of fault, the injured party can also ask for an injunction. As in the case of licences of invalid IP rights, damages are due if the supposed right holder did not exercise reasonable care when assessing the validity and scope of her right.[122] Again, patent holders can normally rely on the outcome of the administrative examination process. In so far as a registered or unregistered right has not been subject to an ex officio examination on the merits, however, everyone is under a duty to carefully investigate whether an allegation of IP infringement is justified. The level of investigation depends upon the circumstances of the case, in particular the proficiency of the supposed right holder. Contributory negligence on the part of the addressee of the warning letter can lead to a reduction of the damage or compensation due.

66 Taken together, the contractual and non-contractual liability for falsely claiming IP rights contributes to the preservation of the public domain. The equal nega-

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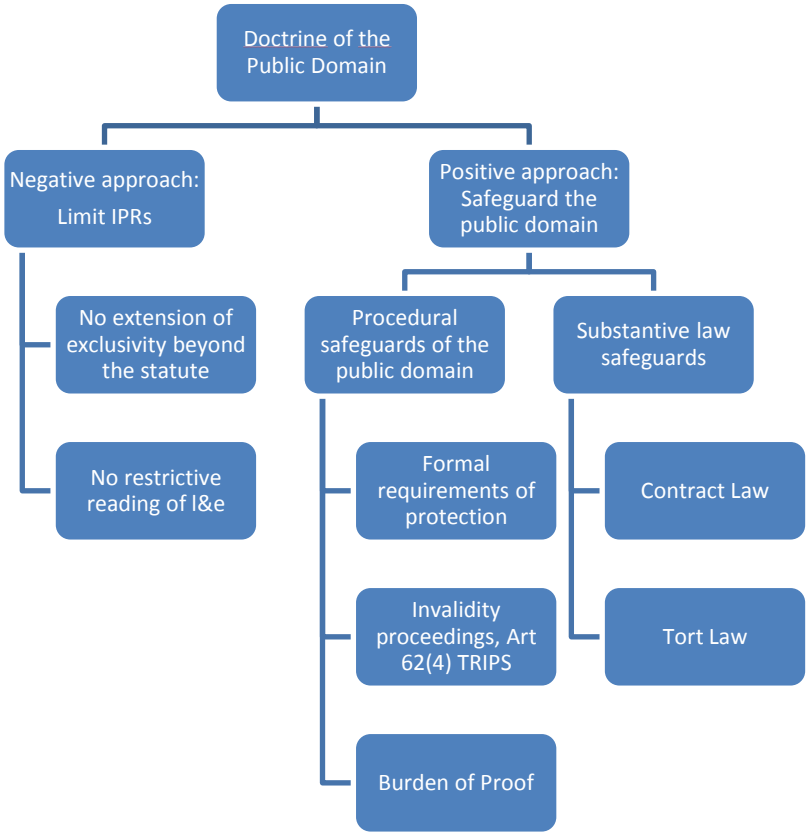
[121] See Hannes Rösler, 'Harmonizing the German Civil Code of the Nineteenth Century With a Modern Constitution – The Lüth Revolution 50 Years Ago in Comparative Perspective' (2008) 23 Tul. Eur. & Civ. L.F. 1.

[122] German Federal Supreme Court Case GSZ 1/04, 15.7.2005, BGHZ 164, 1 - Unberechtigte Schutzrechtsverwarnung.

tive liberty to use public information thus finds its proper place in contract and tort law. Civil law counterbalances IP law. It compensates for the structural asymmetry between strong IP rights on the one hand and the widely dispersed freedoms to use public domain information on the other.[123] Only with these rules and a comprehensive doctrine of the public domain is the regulation of the information society complete. It consists of exclusive IP rights and of equal liberties to access the public domain. Both deserve protection, and both have to be considered together in order to arrive at a balanced IP regime that actually fosters creativeness and innovation.

67 The doctrine developed in this article to achieve this aim has the following structure:



[123] Cf. German Federal Supreme Court Case GSZ 1/04, 15.7.2005, BGHZ 164, 1 - Unberechtigte Schutzrechtsverwarnung.