

**CIOPORA GREEN PAPER**  
**on**  
**PLANT VARIETY PROTECTION**

**Policy Statement**

(November 2002)

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## INTRODUCTION

CIOPORA is the world association that groups together the breeders of ornamental and fruit plant varieties with asexual reproduction, with a view to helping them defend their intellectual property rights.

Founded in 1961, it now represents individual breeders and breeding companies that account for a vast majority of the most important plant varieties of the horticultural and fruit sectors.

If one considers further that Ornamental and fruit species represent, on an average, more than 60% of all plant breeders' rights titles and plant patents granted worldwide, one can easily understand the importance of Plant Variety Protection legislation for the association.

CIOPORA has been active, from its very creation, with the promotion of adequate laws and regulations that are capable of meeting the specific requirements of breeders in that sector<sup>1</sup>. In October 1961, just before the Diplomatic Conference of November 1961 in Paris which was to give birth to the UPOV Convention, CIOPORA already published a position paper commenting on the provisions of the Draft Convention that was

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<sup>1</sup> See the various interventions of CIOPORA in the Records of the 1961, 1978 and 1991 Diplomatic Conferences for the creation and revision of the UPOV Convention.

submitted to the various delegations invited to the November 1961 Conference.

Since those early days, the international landscape of Plant Variety Protection has changed a lot :

- The UPOV Convention has been substantially improved in March 1991;
- The number of the UPOV member States has been practically multiplied by 10
- The number of the firms involved in plant breeding has also increased dramatically
- As a consequence most countries (even those that used to be traditionally opposed to “too strong” breeders’ rights) have realized that an effective Plant Variety Protection system is an indispensable condition for the improvement of their economic position and have initiated a process for the improvement of their laws on plant breeders’ rights.

Despite this improved situation and the experience gathered over the past 40 years, the Plant Variety Protection system organized under the UPOV Convention is still far from optimum and suffers still from its historical background and the circumstances under which it was conceived.

CIOPORA believes that it is about time that a fresh look be taken at the system as a whole both from a legal and from a practical standpoint. This task is all the more necessary since the coming into force of the TRIPS Agreement and especially of article 27(3)b of that Agreement.

The purpose of this GREEN PAPER is therefore

- to recapitulate, in a condensed form, the main deficiencies of the UPOV Convention which need to be remedied;
- to explain the practical difficulties encountered by breeders when they apply for rights (breeders' rights or plant patents) and in the daily exploitation of their protection titles so that the various agencies and authorities engaged in Plant Variety Protection are better aware of the problems that remain to be solved;
- to express the views of breeders of vegetatively-reproduced plants as to what an optimum system of Plant Variety Protection should be and thus contribute to identifying possible solutions<sup>2</sup> for achieving such a result.

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In some cases we have given examples of some flaws in national laws which were overlooked by UPOV when these laws were submitted to the Council for advice as to conformity with the UPOV Convention

# THE UPOV CONVENTION ON THE PROTECTION OF NEW PLANT VARIETIES AND ITS IMPLEMENTATION IN VARIOUS COUNTRIES

The basic principles of the UPOV Convention, which are examined hereafter in chapters 1 through 6 are essentially those of an ad-hoc or *sui generis* system although the Convention does specify that member countries may resort to patent protection.

Because the study of the protection of new plant varieties was initiated in 1957 under the aegis of the Departments of Agriculture of the main European countries, and under the pressure of breeders of sexually-reproduced plants for which the then existing patent protection was hardly possible; the development of that fairly recent branch of Industrial Property has progressed rather independently from patent law<sup>3</sup> and has been greatly influenced by a number of the principles already underlying the regulations on National Lists or Official catalogues

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<sup>3</sup> The inclusion of article 53(b) in the EPC accounts for the fact that most UPOV countries have, after 1973, opted for a *sui generis* system of protection. It also accounts for the exclusion of the protection of plant varieties by patents in the Council Regulation (EC) No 2100/94 on Community Plant Variety Rights

that already existed for food plants and were operated by the said Departments of Agriculture.

The UPOV system has also been influenced by the fact that it was implemented at a time when plant variety protection was facing a strong general opposition from many trade circles.

With time and also thanks to the work achieved in the years 1986/1988 by the Committee of Experts on Biotechnology and Intellectual Property appointed by WIPO (which rated the UPOV system too weak), it has become more and more obvious that the basic principles of patent protection could also be resorted to for the protection of living matter.

This finding, together with active lobbying on the part of associations like CIOFORA and ASSINSEL, has been instrumental in the positive amendments brought to the UPOV Convention in the revised Act of 1991.

However, CIOFORA considers that these improvements are not sufficient yet and that, no matter whether plant variety protection is organized nationally as a *sui generis* system or within patent law, breeders should, as far as the scope of their breeder's right is concerned, obtain a stronger protection.

The basic principles of patent law, and notably those concerning the "scope" of the right conferred by the patent, have stood the test of time and have been refined by extensive case law over more than one century and a half.

It would therefore be a pity not to draw upon that experience to resolve a number of the problems which have been raised at UPOV levels in more recent years like, to quote but a few :

- minimum distances (cf: non-obviousness or inventive step)
- essential derivation (cf: improvement patents and

dependency)

- varieties that are not clearly distinct from known varieties (cf: the concept of infringement)

Another issue to consider is that a number of less developed countries find it difficult (because too expensive!) to create an entirely new protection system from scratch. Such countries might find it more expedient to organize their Plant Variety Protection system as a branch of their patent system as is already the case in the United States of America (plant patents and utility patents). A number of member countries of UPOV have already decided to entrust the administration of their plant breeders' rights titles to their Industrial Property Offices in order to cut down costs.

Last but not least, the likeliness of the problems that will arise from the interface between patented genetic material and protected varieties makes it necessary to approximate and harmonize the basic principles of the two systems of protection.

# 1 - The Filing of an application for plant variety protection (breeders' rights or other rights)

## 1.4\_ DOCUMENTS, FORMS AND PROCEDURES

More than 40 years after the signature of the 1961 UPOV Convention in Paris it is difficult for breeders to accept that the member countries of UPOV, at least those granting protection in the form of a *sui generis* title, are not yet all using exactly the same questionnaires and forms for processing applications for breeders' rights. Some countries are using forms that have been devised by the Technical Committee of UPOV but a number of countries (Australia, Japan ...) are still using other forms and questionnaires.

Now that most breeders have to file applications in an ever larger number of countries, the resulting higher cost of protection is made higher still by this diversity of documents, questionnaires forms, powers etc...

By way of illustration of the above, CIOPORA would like to underline how cumbersome, unnecessarily complicated and costly the processing of a PBR application is in Australia for example, compared with a similar application in New Zealand. Canada is also a very expensive country in terms of plant variety protection.

It is for instance inconceivable that, while the Technical Committee of UPOV has, at great pains, developed official guidelines for the conduct of DUS tests over the past 30 years, the CPVO (Community Plant Variety Office) should now start developing its own Guidelines instead of the two authorities

cooperating together with a view to producing a unique system.

A number of countries (**South American countries, Spain** not so long ago ...) also request from foreign applicants that the application documents and notably the Power of Attorney, permitting a third party (or patent attorney) to file the application in said countries, be certified by a Notary Public and that the signature of the Notary Public be further authenticated by their local consulate in the country of the applicant. Sometimes this requirement is supplemented by an obligation to have said documents and signatures also bear the Apostil of the Hague Convention! Such requirements make the applications for breeders' rights more costly than necessary.

These practices must be abolished and here again the Office of UPOV should play a leading role.

**CIOPORA submits that all countries MUST use the same basic documents and it should be the task of the UPOV Office to make proposals for standard forms and procedures and to solve this problem at short notice.**

## **1.2 INFORMATION REQUESTED**

### Description - photos

Again, the description forms should be harmonized worldwide and bilingual (the national official language plus another locally well-spread foreign language) or even trilingual (3 languages instead of two) texts should be organized so that they can be used in any member country of UPOV. These languages could be chosen among the official languages in use during the UPOV meetings.

Whether the breeder should submit a detailed description or only the basic official description form is a point where harmonization should be sought too. One should keep in mind that the “examination” instituted by UPOV was to enable the authorities in charge to establish the official description of the variety.

In relation with the preceding item, one has to underscore that many plant breeders’ rights offices have been arguing for years that the advantage of the *sui generis* UPOV system, compared with the plant patent system, was that it required no complicated description nor any costly photos. Yet, gradually, nearly all PVROs now request that photos be attached to the application and the new requirements concerning such photos are sometimes quite demanding.

Despite the remarkable technical progress achieved in photography, the photo colors are still far from reflecting reality. The variety being identified essentially through its description and by the existence of a sample plant, CIOPORA considers that the submission of photographs should be made optional for the applicant.

As to DNA charts<sup>4</sup>, CIOPORA is in favor of a continued study of this method of description and identification of varieties so that it may be used by Plant Breeders’ Rights Offices when it has been proven to be reliable and repeatable enough. For the time being, CIOPORA submits that one should abide by the traditional methods of description for DUS examination.

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DNA and molecular technologies should be studied at international level (instead of having so many different research scientists doing the same work/research at the same time in different countries, which is very costly for the Community). The Technical Committee of UPOV can have an important part to play in that field for coordination purposes.

## Origin of the variety

Some countries (*Australia, Colombia* for instance) are requesting detailed information about the process of obtaining the variety, which is totally irrelevant.

In a “*product*” protection<sup>5</sup> - which is what a plant variety protection is all about - what is important is the “product” *per se*, not the way it has been created. More especially so where the method of origination is no longer required (and could not be used anyhow!) for the reproduction of the product (which can be asexually reproduced).

As a consequence, CIOPORA considers that if a breeder does not give details about the way (parentage) he/she has obtained a variety, this cannot be viewed as a failure on his/her part to provide official information and cannot be considered as a valid cause for rejection of the application.

In return, such an indication of origin of the variety could be made compulsory for EDVs (essentially-derived varieties). Indeed, in that case, it is important, because of the legal consequences, to know from which variety of origin the EDV has been obtained and this should apply whichever kind of EDV the candidate variety may be : a mutation or a transgenic variety (as will be seen further down in this paper the patented gene owners will in fact have little interest in applying for plant variety protection since their primary objective is to cover “any plants” in which the patented gene is incorporated rather than one or several specific variety/ies). The applicant should therefore be requested to

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<sup>5</sup> As opposed to the protection of a “process”

specify whether his/her candidate variety is, or is not, an EDV (yes or no) as well as the denomination of the variety of origin if the answer is in the affirmative. And such a statement should be made under oath.

### Breeder

Applications by a person other than the breeder should be possible. However, It is submitted that the name of the breeder be specified in all cases and the possibility must be provided to the rightful breeder or owner of the variety to claim the ownership of any title that would have been improperly applied for by, or granted to, an unauthorized third party.

Professional breeders continue to resent the present definition of "breeder" as it is worded in the 1991 Convention. According to them, only the one professionally engaged in "breeding" should deserve the qualification of "breeder", the term of "discoverer" being used for those occasionally finding natural mutations, even if they subsequently "develop" the variety by performing the necessary propagation and testing activities to reproduce and evaluate the mutation.

In that respect, CIOPORA would like to reiterate its observation, already made in November 1990, that the term "breeder's right" in the UPOV Convention is confusing since it refers at times to the "*title*" granted and at other times to the "*right* conferred by the title".

For that reason, and also since the Convention does not exclude the protection by patents, it would be preferable to change "breeder's right" into "**title of protection**" and "breeder" to "**title holder**" throughout the text of the Convention since the title holder may be either the breeder or his/her successor in title.

### **1.3 PLANT MATERIAL REQUESTED**

Recently there has been a tendency, on the part of some Plant Variety Rights Offices, to systematically ask the applicant to submit material of other varieties for comparison purposes.

Plant material should be requested only in relation with the variety which is the subject of the application concerned.

Except where the applicant itself has indicated comparable varieties in the description form, it should be incumbent upon the Plant Variety Rights Office concerned (or the relevant examination station) to procure plant material of such varieties, not upon the applicant.

Broader time limits and possible extensions should be provided for the supply of plant material of the candidate variety. This is especially necessary for applicants representing the interests of breeders established in another hemisphere.

### **1.4 SUBMISSION AND ACCEPTANCE OF VARIETY DENOMINATIONS**

The purpose of the variety denomination is to identify the variety in a uniform and unique way, worldwide.

It is important that the variety be identified at a very early stage. In view of the uncertainty of "fancy names" (their use may be barred by its prior registration, by a third party, as a trademark or company name), an increasing number of breeders in the horticulture and fruit sector are using "coded" denominations".

Their advantage, among many others, is that risks of a prior use are far more remote since there can be a practically infinite combination of letters and/or syllables and/or figures.

This enables the applicant to register its denomination normally at the same time as he/she files the application and thus avoids the costly procedure of having to change the denomination (sometimes several times!) during the examination stage.

However, a number of applicants still continue using normal “fancy names” as denominations. In that case, CIOFORA suggests that Plant Variety Offices make a prior search not only in relation to prior denominations registered for a variety of the same or a “closely related species” but also with the relevant Trademark Offices in order to check whether the fancy name in question has not already been registered as a trademark by a third party for products belonging to international class 31.

Such a priority search

- should not constitute an insuperable extra work for the Plant Variety Rights offices since the same work is usually performed the other way round by Trademark Offices (checking whether a trademark being applied for has not already been registered as a “variety denomination”) and
- would avoid unnecessary future litigation between the trademark holder and the applicant for breeders’ rights.

**The use of “coded denominations” should be encouraged worldwide.**

In view of the many different practices in various plant sectors, any projected Guidelines for the acceptance of denominations should be as flexible as possible.

## 1.5 NON DISCLOSURE REQUIREMENT - FRANCHISE PERIOD FOR PRIOR MARKETING

When the franchise<sup>6</sup> period was instituted under the 1961 UPOV Convention as a derogation to the principle of non prior disclosure (“*novelty*”) and perpetuated by the 1991 Act of the Convention<sup>7</sup>, the marketing of protected new plant varieties was more or less confined to a fairly limited number of countries.

To-day, as a consequence of globalization on the one hand, and because of the shift of production to new territories on the other hand, new plant varieties have to be tested in many more territories and the marketing plans have become far more intricate and time consuming.

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It is submitted that the term “period of franchise” is more correct than “period of grace” since the latter is usually computed after a given deadline which has already expired and not before.

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One year in the country of application; 6 (trees and vines) and 4 (other plants) years in foreign countries

Therefore the placing of a variety on the world markets stretches over a much longer period of time. Some varieties, which were supposed to be adapted to only very specific conditions, become demanded by the trade or by the public in an entirely different environment after a number of years<sup>8</sup>.

As consequence, the long period of time necessary for the proper launching of a variety does require a much more adequate franchise period, especially for fruit trees where a minimum **10-**

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In the USA it had been a standard practice of the US PTO (Patent & Trademark Office) that, no matter how long a variety had been marketed abroad, it was still possible to protect it by a plant patent in the USA, provided the variety had not been in commerce in the USA more than one year before the filing date of the US plant patent application. A recent, abrupt and unjustified U-turn in its policy by the US PTO has brought chaos in the world of applicants and owners of plant patents and a legislative remedy is being examined by the relevant parties in order to find a solution to the problem raised.

**year** derogation would be more in line with the actual requirements of breeders.

Whether the franchise period should differ according to the categories of species is highly questionable. It has anyhow become obvious, over years of practice<sup>9</sup>, that, in order to differentiate between different plant species, while avoiding too detailed a categorization at the same time, a more suitable classification of plants, for the definition of various periods of franchise, could be :

- woody plants
- non woody plants

Countries that have not, as yet, implemented a period of grace should be encouraged to do so at short notice.

In ***Germany*** it is submitted that article 6(1)1. of the latest national law on Plant Breeders' rights is not conform to the UPOV Convention and should read "*within the national territory, one year*" instead of "*within the European Community, one year*"

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Many UPOV countries already apply the 6-year period of franchise to "woody" plants in general rather than to the narrower concept of "trees and vines".

Another basic principle should be acknowledged by all member countries of UPOV, namely that a variety, for which an application for protection is filed, can be considered as “disclosed” (i.e. no longer “new” in the sense of the Convention) only where “plant material”<sup>10</sup> has effectively and non-restrictively<sup>11</sup> been made accessible to the trade or to the public by the breeder or by its successor in title.

**CIOPORA SUBMITS THAT THE MERE PUBLICATION OF A WRITTEN DESCRIPTION OF A VARIETY CANNOT BE CONSIDERED AS A DISCLOSURE OF THAT VARIETY.**

## **1.6 THE RIGHT OF PRIORITY**

For the same reasons as those explained under the above chapter “period of franchise”, the 12-month priority period has become too short and should be prolonged by another year. This is an item which should be tackled by the Administrative and Legal Committee of UPOV.

It is necessary that the claiming of the UPOV and Paris Union priority should be harmonized so that it can operate smoothly

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In the sense of “reproductive material” *per se*

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The UPOV Convention specifies that the variety must have been sold “with the agreement (1978) / consent (1991) of the breeder”

between all countries that are parties either to the UPOV Convention or to the Paris Union Convention of 1883 on the Protection of Industrial Property, irrespective of whether the plant variety protection system is by patents or by a *sui generis* system.

In that respect, and as already underlined before, the term “breeder’s right”, used by the 1991 UPOV Convention, should be superseded by the term “title of protection” and the latter should be the subject of a broad definition in article 1 of the 1991 Convention, covering both *sui generis* breeders’ rights and patents.

The fact that some member countries of UPOV are bound by the 1978 Act and others by the 1991 Act may create discrepancies as regards the maximum period of time (4 years in the 78 text and 2 years in the 91 text respectively) within which an applicant may furnish the information, documents and material that may be required by the authorities of the country in which an application under the benefit of the UPOV priority has been filed. When the 1991 Convention is again submitted to revision, it is suggested that one should again consider whether, and under which conditions, the longer (4-year) period of the 1978 Convention should not be adopted again.

Harmonization of the texts of national or regional laws applying any given Act of the UPOV Convention is also highly recommended<sup>12</sup>.

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For instance, in the Council Regulation (EC) No 2100/94 of July 94, instituting Community Breeders’ Rights, the wording of Articles 52.2 and 52.3 is not consistent with the equivalent provisions of the 1991 UPOV Convention (article 11.2) according to which, in order to benefit from the Union Priority, it is expressly required that the applicant should actually

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claim said priority through a specific declaration. Such an obligation is not explicitly mentioned in said articles and can only be "inferred" from the wording of other articles (notably 55.5 of the Regulation or art. 20 of the Implementing Rules). This should be rectified when the European Union becomes a Contracting Party of the UPOV Convention.

## 1.7 THE COST OF PROTECTION

Although an increasing number of breeders have been opting for Community Plant Variety Protection in Europe over recent years, there are still numerous applications that continue to be filed on national level, to some extent in Europe and naturally outside of Europe where no regional system has, yet, been implemented.

For many plant species, the overall cost of protection (application + examination + maintenance fees) has, in most countries, reached a level which already represents an insuperable financial burden for a number of varieties. The consequence is that breeders are obliged to leave their varieties without protection in some countries or to surrender protection as soon as the maintenance fees have reached a level that is too high in comparison with the turnover achieved with the corresponding varieties.

It seems urgent to CIOPORA that the member countries of UPOV should seek means to make the present system of plant variety protection more affordable to breeders. This can be reached by a number of measures :

- standardization of all documents (application, description forms etc... as well as any other administrative forms that are currently used in that field; see above paragraph 1.2);
- standardized translations of said documents in a number of basic languages (see above paragraph 1.2);
- automatic availability to UPOV member countries of the results of DUS examinations already performed in other countries. There should be a limit to the "price" to be paid back to the countries having performed such an

examination and thus “selling” the result of their work. The objective should be simply to make the examination authority viable technically and financially;

- concentration of reference collections in limited sites in order to cut down on overall costs; constant and strict auditing of the technical and financial management of such sites in order to avoid unwarranted expenses;

- resort to “on-site” examination at breeders’ premises, if this is possible and more economic;

- complete transparency of the financial administration of all examining and/or grant authorities should be implemented; examination stations and the relevant national authorities should be encouraged not to deviate plant variety protection registration/examination fees for purposes (research for instance) unrelated to the protection of that new aspect of industrial property.

- subcontracting the administration of plant breeders’ rights to existing patent offices in countries which may not be able to afford the creation of a self-contained administration. This has already been performed by a number of UPOV member countries.

- one should promptly contemplate the possibility of resorting to an international application procedure, in coordination with, or similar to, the one instituted for patents under the PCT (Patent Cooperation Treaty), whereby breeders in any part of the world would have the possibility to file one single application at one single Office in only one language. Such an application would have the same effect as a ‘national’ or ‘regional’ (E.C. for instance) application for all countries or regional entities which the applicant would have indicated in its

international application. This could be coupled with an international DUS testing procedure or with a 'co-operative' DUS testing as indicated above<sup>13</sup>.

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See 5th International Symposium of CIOPORA on the Protection of New Plant Varieties (Munich, September 1993)

## 2 - The processing of applications for plant variety protection - Grant/Refusal of protection

### 2.1 AVERAGE TIME ELAPSED BETWEEN APPLICATION AND GRANT

It is submitted that in some countries the authorities take too long for the processing of applications, thus creating a problems for applicants. There is a need for more expedient service on the part of plant variety offices, especially in cases where a variety has already been granted protection in another member country of UPOV. This should be combined with a possibility, both for applicants and interested third parties, to oppose, or appeal against, a decision of grant.

To cite but one example, ***Mexico*** is a country where, under the new protection system<sup>14</sup>, applicants have to wait for an indefinite time (already more than 6 years for some applicants already!) for the grant of protection even where the applications have already been published. Meanwhile, it is extremely difficult for breeders to enforce their rights. This is the perfect illustration of the need for wider exchanges of examination results between countries and subcontracting possibilities with patent offices in countries where it may be too costly to create a new Plant Variety Rights office from scratch (see 1.7).

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After an initial decision to protect vegetatively-propagated plant varieties by standard patents the Mexican Government has decided to organize, for all plants concerned, a *sui generis* system of protection, under the aegis of the Ministry of Agriculture

Prompt treatment of applications for plant variety protection is also necessary because of the increasingly shorter commercial life of plant varieties.

## **2.2 PROTECTION STATUS BETWEEN APPLICATION AND GRANT**

Growers and farmers are usually anxious to obtain access to new varieties as soon as possible in order to draw the benefits of improved characteristics. This is why the protection holder must be in a position both to grant licences based on the application title and to stop potential infringers without waiting for the grant of the final protection title.

Thanks to the repeated interventions of CIOPORA before the diplomatic conference of March 1991 this problem is covered by article 13 of the 1991 UPOV Convention but the corresponding provisions in the 1978 Act of the Convention (article 7.3) are still only optional.

It is therefore essential that all countries having joined the UPOV Convention on the basis of the 1978 Act should either ratify the 1991 Act or incorporate in their national laws the possibility for the applicant to enforce his/her rights during that interim period. Otherwise, the lack of protection during that period creates a legal vacuum for the sole benefit of those who wish to take a free ride on the work of others.

## **2.3 EXAMINATION PROCEDURE (NOVELTY, DISTINCTNESS, UNIFORMITY, STABILITY) FOR THE GRANT OF THE PROTECTION TITLE**

“Novelty”

CIOPORA’s observations on how the “novelty” criterion should be evaluated already appear in paragraph 1.5 above.

“Distinctness”

As is explained further under paragraph 3.3, the too wide drafting of the breeder’s exemption in the 1978 Act of the UPOV Convention<sup>15</sup>, coupled with the too lax attitude of some examination authorities, opened the way to a number of activities consisting in “cosmetic breeding around” an already protected variety, thus leading to the creation of parasitic varieties<sup>16</sup> and

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*Art.5(3): authorization by the breeder shall not be required either for the utilization of the variety as an initial source of variation for the purpose of creating other varieties or for the marketing of such varieties*

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Re: the notorious and outrageous case of the Carola rose which was

defeating the primary purpose of the UPOV Convention.

The new 1991 UPOV Convention has brought some correction to that situation by deleting *“or for the marketing of such varieties”* in the new definition of the breeder’s exemption and by adding a new specific provision according to which, while it is permitted to everyone to freely use a protected variety as a source of genetic variation for the creation of other varieties, any variety thus created can be marketed by its breeder ***only*** if it is *“clearly distinguishable from the earlier protected variety”*.

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granted protection in a few UPOV countries despite the fact that it can hardly, if at all, be distinguished from the already protected Deladel rose and constitutes in fact a perfect example of “cosmetic” or “parasitic” breeding (selection of slight “variations”) which should be sanctioned.

This of course requires that some internationally accepted standards of “minimum distances”<sup>17</sup> must be gradually implemented, species by species, by the UPOV Technical Committee if the *sui generis* system of protection instituted by UPOV is to be effective enough. Such standards should be applicable in all member countries of the Convention and should provide that every protected variety commands a certain “*perimeter*” of protection within which other candidate varieties cannot obtain a separate protection.

For a variety to be considered as a “variety of common knowledge” and pending sufficiently complete and reliable databases (DNA and other similar means), both a detailed description and available reproductive material must exist for that variety (see 1.5 above).

### Uniformity and stability

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Which are the equivalent of the “non-obviousness” or “inventive step” concepts in traditional patent law.

Before making comments or suggestions, CIOPORA is waiting to see how the document for the Revised Introduction to the DUS Examination of New Varieties of Plants, recently prepared by the Technical Committee of UPOV, will be implemented<sup>18</sup>.

#### Material for testing

CIOPORA considers that the applicant for a plant breeders' rights certificate should be obliged to supply nothing but the material of the variety for which the application is filed.

In some countries, a practice has developed, on the part of plant variety rights' offices, consisting in systematically asking applicants to also furnish to the examination authority material of "comparative" varieties. While breeders are usually willing to cooperate when they are in a position to do so, this request should not be transformed into an obligation. Indeed the examination authority, alone, should have the responsibility of keeping whatever collection of "varieties of common knowledge" it may consider as appropriate for the purpose of comparing the latter to the candidate variety (see 1.3 above).

As regards the phytosanitary condition of plant material requested from breeders by DUS testing authorities, CIOPORA acknowledges that such material should be in good sanitary

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This considerable work and achievement by the Technical Committee of UPOV will no doubt contribute to a better international harmonization of the way various examination authorities apply and implement the DUS criteria.

condition in order not to infest other material that is being grown by said authorities. However the recently stricter measures imposed by some DUS examining authorities against the presence of virus in fruit tree varieties or of phytoplasma in Poinsettia varieties seem to be going beyond what is strictly necessary or reasonable for the purpose of the DUS examination and CIOPORA, which is now in the process of evaluating said measures, reserves the right to intervene again on this issue.

The cost of DUS testing can be lowered by the kind of measures mentioned above (see 1.7) for the general problem concerning the cost of protection.

Breeders consider that, where examination has to be repeated for one year longer than normal because of a growing mistake by the Examining authority, the applicant concerned should not have to pay an examination tax again.

#### **2.4 RECOURSE AGAINST DECISIONS OF THE PLANT VARIETY RIGHTS OFFICES**

Provisions organizing the recourse of applicants against decisions by the Plant Variety Rights Offices should be organized like in patent law and should be harmonized internationally, wherever possible. A longer time frame (minimum 3 months) should be allowed for foreign applicants.

#### **2.5 GRANT AND MAINTENANCE FEES - COST OF PROTECTION**

Exactly the same observations can be made here as those appearing under paragraph 1.7 for application fees.

Concerning maintenance fees, they should be meant to cover just the administration costs by Plant Variety Rights Offices, no more. In view of the shorter and shorter turnover of varieties they should be kept at a minimal flat rate.

In ***Bolivia*** for instance the maintenance taxes are far too high in relation to the possibilities of local development of any variety. This is an example where the administration of plant variety protection could advantageously be entrusted to the local Industrial Property Office in order to avoid unnecessarily high investments.

It is interesting to note that the USA has, for a number of decades already, been doing without the payment of annual maintenance fees for plant patents, thus making that system of protection affordable to practically all concerned, including Small and Medium Enterprises. This example might be worth thinking about in other member countries of UPOV.

## **2.6 DURATION OF PROTECTION**

The minimum compulsory duration of a plant variety protection title organized by the UPOV Convention has been increased from **15 years** (18 years for vines, forest trees, fruit and ornamental trees) in the 1978 Act to **20 years** ( 25 years for vines and trees) in the 1991 Act.

In view of the globalization of the marketing of seeds, plants, fruits and flowers, and because the present member countries of UPOV have joined the Convention on the basis of different Acts, it is important that, in order to avoid discrepancies and barriers to world trade, the individual countries that are still bound by the 1978 Convention should - even if they do not wish to join the

more recent Act of 1991 - upgrade the period of protection provided under their national laws up to the 1991 minimums (20 and 25 years depending on the plant species concerned).

AUSTRALIA, has for years (until the latest revision of its national law) computed the duration of plant breeders 'rights certificates as from the date of the formal acceptance of the application instead of as from the date of grant of the title, in total disregard of the obligation made by both Acts of the UPOV Convention. The result is that, for some varieties where the period between final reception of the application and date of grant was very long (10 years!...), the actual duration of protection has been shortened by the same period (10 years) thus entailing severe financial damage for the breeders concerned. This evidences the need for a more careful check of national laws either before (see footnote 2) or after the acceptance of the law for conformity by the UPOV Council<sup>19</sup>.

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Another conspicuous example of a too remiss examination, by the UPOV Council, of the conformity of a national law (according to article 32.3 of the 1978 Act) is article 5 of the first Spanish Law of March 12, 1975 No 12/75, which was not conform with the provisions of the 1978 Convention and has, for years, caused grave problems to breeders of ornamental plants.

### 3 - The scope of protection

#### 3.1 PLANT SPECIES ELIGIBLE FOR PROTECTION

The 1991 Convention, while introducing some improvements in the number of plant species that must be protected within a certain period of time, unfortunately perpetuates this most unfair principle of "*progressive implementation*" of the Convention, which leaves open a period of non-right for some species.

Under the 1978 Convention, which is still the Convention applying to a fairly large number of countries, member countries are obliged to apply the Convention to not more than 5 plant genera or species when signing the Convention and to not more than 24 species 8 years thereafter. This basic flaw of the Convention continues to contribute to the creation or maintenance of whole territories where "legal infringement " is organized for those species for which member countries have not yet extended protection through their national laws.

**CIOPORA SUBMITS THAT THE LACK OF AN OBLIGATION TO PROTECT ALL PLANT SPECIES BOTH UNDER THE 1978 AND THE 1991 CONVENTION IS NOT CONFORM WITH THE OBLIGATIONS IMPOSED BY ARTICLE 27.3.B OF THE TRIPS AGREEMENT.**

A closer multilateral cooperation between member states of the Union, including the exchange of the results of DUS examination already performed by other countries, should enable new comers to the UPOV Convention to upgrade their national laws and have them cover all plant species without exception.

Transitional ("pipeline") provisions, permitting to retroactively

protect varieties already marketed before the law was applicable to them, should be included into said laws.

The limitation of plant species eligible for plant protection has had in the past (**Spain**) or is still having (notably, **Brazil, China...**) particularly serious consequences for breeders in many countries.

### **3.2 MINIMUM SCOPE OF PROTECTION UNDER THE VARIOUS ACTS OF THE UPOV CONVENTION - NECESSARY IMPROVEMENTS REQUIRED**

The scope of rights that member states of the 1978 UPOV Convention must grant to breeders is defined in article 5 of the 1978 Act.

For historical reasons, already briefly mentioned and over which it does not help to go back again, the drafters of the Convention started from a totally wrong approach to the problem: instead of defining the right of the breeder on a **new product**, i. e. the "*new variety*"<sup>20</sup>, (which is what plant variety protection should be all

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The aim of a breeder's work is to create a variety which either surpasses existing varieties in its qualities or is something new or more attractive which the farmers/growers or the public will have an interest in growing or in acquiring. The qualities of the new variety are often expressed only in the harvested products (cut

about!) they defined the scope of the breeder's right around the "*reproductive organs*" of the variety, i. e. the "*reproductive or vegetative propagating material*" of the variety.

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flowers, fruits, flavor etc...)

This wrong approach resulted in vast loopholes which could be used by infringers for years, and with total impunity, until the coming into force of the 1991 UPOV Convention. This has made the 1978 Convention an ineffective system of protection (in the sense of the TRIPS Agreement, article 27.3.b) for certain species in those countries which implemented nothing but the strict minimum level of protection of that Convention<sup>21</sup>.

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Example 1: Commercial fruit producer “A” buys a very limited number of plants of a protected apple variety “V” bred and protected by breeder “B”. From these plants he propagates thousands and thousands of plants from which he will collect and sell fruit as long as the plants are productive (this may last 20 years or more). Since he does not sell propagating material as such, nor plants but only fruit he does not infringe the breeder’s right. “A” fully exploits the commercial advantages of the new variety “V” whereas breeder “B” has collected a royalty only on the very small number of the initial plants bought by “A”.

The 1991 Act of the UPOV Convention has fortunately corrected to some extent the existing loopholes by covering any form of reproduction of plants of the variety but its new definition of the scope of the breeder's right continues to suffer from the wrong approach of the 1978 and continues to focus on the protection of the "**propagating material**" instead of the "**variety**" *per se*. As a consequence the extension of protection to the "*harvested material*" takes effect (through a very cumbersome and awkward language) only in so far as "*the breeder has not already had reasonable opportunity to exercise his/her right in relation to the propagating material*".

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Example 2 : the rose or carnation variety "V" is protected in country "C<sub>1</sub>" by breeder "B" who collects royalties from propagators of country "C<sub>1</sub>" who sell plants of "V" to cut flower producers. Wholesale Florists "F" import large quantities of cut flowers of the same variety "V" from countries "C<sub>2</sub>", "C<sub>3</sub>" etc... where the variety "V" is not protected or not eligible for protection. Breeder "B" cannot use his protection title granted in country "C<sub>1</sub>" to stop such imports of his variety "V" nor to ensure to his licensees of country "C<sub>1</sub>" the peaceful use of their license

Because the 1991 Convention does not define what a “*reasonable opportunity*” consists in<sup>22</sup>, the new scope of right ignores the fact that breeders have to be able to exercise their right (and notably collect their royalties) at the stage where the added-value of the variety is normally expressed (which is the end-product *per se* for most cut flower or fruit varieties).

For that reason CIOPORA considers that even the improved drafting of the 1991 Act of the UPOV Convention does not give a really *effective* protection to some categories of breeders, within the meaning of Article 27(3)b of the TRIPS Agreement.

Article 27(3)b of the TRIPS Agreement indeed provides that “...*Members of the WTO must provide for the protection of plant varieties either by patents or by an effective sui generis system or by any combination thereof.*”

**CIOPORA IS OF THE OPINION THAT A SUI GENERIS SYSTEM CAN THEREFORE BE CONSIDERED AS “*effective*” ONLY IF IT GIVES BREEDERS RIGHTS WHICH ARE AT LEAST EQUIVALENT TO THOSE AVAILABLE TO A PRODUCT PATENT UNDER THE PATENT SYSTEM.**

And article 28.1 of TRIPS defines the rights conferred by a “product” patent as covering

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The terms “*reasonable opportunity*” are quite vague and likely to be construed in different ways so they will have to be clarified by case law pending a future amended and improved wording of the UPOV Convention

- making (= propagation or reproduction)
- using
- offering for sale
- selling the invention.

Therefore any *effective sui generis* system of protection should not only cover the

- **making (= propagation or reproduction)**
- **offering for sale**
- **selling**
- **importing for these purposes**

but also the

- **using**

**of the plant variety in the various forms (propagating material, plants and their parts, harvested material...) under which its essential characteristics are expressed.**

In order to comply with the provisions of article 27.3b of the TRIPS Agreement, all member countries of the UPOV Convention which have just adopted the minimum levels of protection of either UPOV Act, can do so by incorporating the above mentioned required improvements into their national laws. Concerning the problem of the *use* of the variety (which is not yet covered even by the 1991 Act of the UPOV Convention), **CIOPORA SUGGESTS, AT LEAST FOR THE VEGETATIVELY-REPRODUCED SPECIES IT REPRESENTS, THAT THIS INDISPENSABLE EXTENSION OF THE SCOPE OF THE BREEDER'S RIGHT BE DRAFTED AS FOLLOWS:**

***“...using the protected variety for the commercial production of harvested material (cut flowers, fruits, etc...)”***

Furthermore, CIOPORA sees no valid reason why the now

optional extension of the scope of protection to "*products made directly from harvested material of the protected variety*" should not be made compulsory so that plant breeders may benefit from a protection similar to that afforded to "product patent" owners for the various fields of exploitation of their inventions.

Breeders outside of the USA consider that if the scope of protection is not extended to the harvested material *per se* and to products derived therefrom in the countries applying the *sui generis* system of protection of the UPOV Convention, they should, at least, have a possibility to recourse to "utility patents" (like their American colleagues) in cases where they do need such an extension (generally speaking, such an extension is a must for all plant species where the added-value of new varieties is essentially embodied in the harvested material (cut flowers, fruits ...). In that respect and in view of the purely historical reasons for which it was introduced in the EPC (European Patent Convention), it might be about time for governments to review and possibly remove the present exclusion of article 53(b) of the EPC.

### **3.3 BREEDER'S EXEMPTION**

One of the principles of **the 1961/1978 Act of the UPOV Convention** (article 5.3) has been to see to it that the monopoly granted to the breeder should not be a bar to further research by other breeders wishing to use protected varieties for further research and breeding of new varieties. This principle has been coined as "*the breeder's exemption*" and is meant, like in patent law, to see to it that a limitation be brought to the monopoly conferred by the breeder's right or patent for considerations of a higher order concerning research and economic development.

**CIOPORA SUPPORTS THAT BASIC PRINCIPLE OF FREE ACCESS TO GERMPASM.**

In the 1978 Convention however, the “breeder’s exemption” is worded in such a “broad” way (*article 5.3: ...or for the marketing of such varieties*) that, combined with the absence of adequate provisions on the control of “varieties that are not clearly distinguishable”, it leaves the door wide open to “cosmetic breeding”<sup>23</sup>. It is therefore essential that the examining authorities of the countries that apply the 1978 Act should exercise extreme care in evaluating the *distinctness* criterion.

The only exception to the “breeder’s exemption” provided for in the 1978 Act of the Convention covers the case where the repeated use of the protected variety constitutes in fact a commercial activity and not a breeding activity proper. This single case of *dependency* of the 1978 Convention, specially aimed at the production of F1 hybrids, is similar to a “process patent” dependency.

Articles 14(5)(ii) and 14(5)(iii) of the **1991 Convention**, combined with the new drafting of the breeder’s exemption in article

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As mentioned earlier, some lax national examining authorities (*in re Deladel vs Carola, Israël*) applied the broad “breeder’s exemption” wording of the 1978 Convention to justify their grant of plant breeders’ rights to the parasitic variety Carola that could hardly be distinguished from Deladel or only by insignificant and cosmetic characteristics.

15(1)(iii), constitute an important improvement of the 1978 Act because it corrects said loopholes concerning “cosmetic breeding”.

Indeed, the new 1991 Act of the UPOV Convention, while maintaining the research exemption permitting to use protected varieties for further breeding, gives a possibility to prevent a possible misuse of that exemption,

- not only where the purpose is not simple research but the repeated use of the protected variety for the commercial production of a variety (article 14.5.iii of the 1991 Convention, which resumes above-cited article 5.3 of the 1978 Convention),

- but also where the use of the protected variety in a research/breeding program results in a variety which is not “*clearly distinguishable*” from the protected variety used for breeding and therefore infringes that variety (see supplementary observations in paragraph 3.4 on “dependency”)

These new provisions oblige the authorities in charge of the examination of distinctness to be more rigorous when evaluating the minimum distances between varieties for the grant of a title of protection.

They should also enable breeders to more efficiently fight against the above-mentioned practice of “cosmetic breeding” because they should give the competent courts the necessary legislative basis to more easily apply to plant breeders’ rights the already widely known basic principle of patent law according to which infringement is appraised on the basis of the *similarities* between the protected product and the allegedly counterfeit product rather than according to the *differences*.

Last but not least, these new provisions should pave the way

towards a positive solution to the often skewed debate as to whether there is a fundamental difference between the *breeder's exemption* under the UPOV system and the *research exemption* provided for in most patent laws. Some official circles, alleging that the latter would be far more restrictive than the *breeder's exemption*, have indeed been trying to take shelter behind such a would-be difference to justify the view that plant varieties had, of necessity, to be protected solely by a *sui generis* system<sup>24</sup>.

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See Donald Jeffery et al. 'Intellectual Property Rights in Biotechnology Worldwide' page 284 '*one point made by those who favor only UPOV-type protection for plant varieties is that art.5.3 of the 1978 Convention guarantees third parties the free use of any protected variety' as an initial source of variation for the purpose of creating other varieties,*' whereas permission would be required of the patentee for such use if patents were granted for plant-related inventions...*These arguments do not adequately reflect the patent law principle of experimental use, nor do they realistically assess the ever-increasing significance of the 'special cases' under UPOV art. 5(3), within the broader context of dependent vs independent innovations. The use of any patented living matter, including a plant, 'as an initial source of variation for the purpose of creating other [inventions]' is surely an activity that falls within the experimental use exception to infringement. The product of such an experimentation can fall into any of three different categories:*

*(1) a product that does not infringe the claims of the original patent, but requires the repeated use of the patented invention as a starting material for its production;*

*(2) a product that does not infringe and also does not require repeated use of the patented invention for production; and*

*(3) a product that does infringe the original patent and may or may not require repeated use of the patented starting material for its production.*

*Any effect of the first patent on the commercial activities of the later researcher will depend on an analysis of the factors determining the categorization of the new product*

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*into one of the above classes. But infringement will not be based on the experimental breeding activities per se. Accordingly, the notion that patent rights represent an impediment to free availability of breeding stock as an initial source of variability is false.'*

This issue has recently gained momentum because of the growing interface between patent-protected genes and plant varieties protected by plant breeders' rights certificates, the question being whether traditional plant breeders can freely breed on plant material that incorporates patented elements.

**CIOPORA SUBMITS THAT BOTH THE *RESEARCH EXEMPTION* IN PATENT LAWS AND THE *BREEDER'S EXEMPTION* IN *SUI GENERIS* PLANT VARIETY PROTECTION SYSTEMS HAVE THE SAME FUNDAMENTAL OBJECTIVE, WHICH IS THAT OF FOSTERING TECHNOLOGICAL IMPROVEMENT AND FURTHER RESEARCH, WHILE MAKING SURE THAT SUCH AN EXEMPTION IS NOT MISUSED TO DEBILITATE THE MONOPOLY RIGHT GRANTED TO THE INVENTOR/BREEDER.**

In practically all European countries the patent laws include provisions according to which the public interest (encouraging technological progress and new inventions) is safeguarded by the exemption from infringement of all acts related to experimental use and by the obligation to publish already protected inventions so that third parties can research and improve on them<sup>25</sup>.

In the USA, the experimental use defense is a case-law

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As regards the US patent law, where the experimental research concept essentially depends on case law, this principle although narrowly interpreted so far, has never been found to restrict or impede further research and the USA remains at the leading edge of technological progress.

construction. Court decisions have, so far, been either in favor of a broad interpretation of the patent research exemption or in favor of its narrow interpretation (the latter being often accounted for by the fact that, in the industrial field, experimenting with an invention often implies “practicing” the invention). None has addressed the specific case of breeding from patented plant material and therefore it would be wrong to affirm that patent protection would automatically have an inhibiting effect on the *breeder’s exemption*.

In both systems, what is essentially submitted to the breeder’s/inventor’s right is the “*commercial*” use of the variety or of the invention.

In the field of plant-related inventions, one can hardly see how a gene patent holder could prevent a traditional breeder from using, in further research, plant material incorporating said patented gene where the plant material is generally lawfully purchased on the market and the patent right has thus been exhausted upon its first sale.

The patent holder should (and generally will) be content with having the possibility of controlling, or submitting to his/her prior license, any commercial production or sale of the varieties bred from material incorporating his/her patented gene if these varieties still incorporate said patented gene. As to the traditional breeder doing further breeding with material that incorporates a patented gene, he/she should be aware of the risk involved in breeding with patented material since any downstream commercial handling of varieties thus created will be infringing the biotech patent if said patented gene is still present and continues to perform its function in these varieties.

Such a legal situation, coupled with the new “reverse” dependency instituted by the 1991 Act of the Convention for essentially-derived varieties, strikes a fair balance between the various actors (patent holders and breeders) on the marketplace

and allows them to fully enjoy their respective rights while having a possibility of negotiating adequate research arrangements in due time.

It is therefore suggested that a survey be undertaken on the real and factual situation of the interface between holders of patented biotech material and holders of breeders' rights in various countries and that legislative intervention be undertaken only where actual risks exist. **In such a case, CIOPORA submits that the patent research exemption should be applied in a way that is compatible with the breeder's exemption.**

When addressing the issue of the *patent research exemption* and of the *breeder's exemption* one should also bear in mind the fact that an increasing number of leading-edge breeders (especially those involved in both traditional breeding and biotechnology) tend to think that, in view of the recent considerable advances in the various breeding techniques, the *breeder's exemption* of the UPVO Convention, if interpreted too broadly, could constitute a danger in the future since it may permit some competitor late comers to more easily and cheaply take advantage of some basic and unique breeding achievements which have been obtained by a first breeder at a price which is constantly increasing. This concern tends to be nurtured by the notions of PIC (prior informed consent) and benefit sharing more recently developed under the aegis of FAO and the CBD (Convention on Biological Diversity).

Such concern will sooner or later have to be addressed by UPOV, and could, according to CIOPORA, be resolved by stronger provisions on infringement and dependency (see 3.4 on essentially derived varieties).

### **3.4 - ESSENTIALLY DERIVED VARIETIES (EDV) - DEPENDENCY**

As early as October 1961, CIOFORA advocated that mutations should be covered by the title of protection protecting the variety of origin. However, it was not until the 1991 Diplomatic Conference on the Revision of the UPOV Convention that such a protection was incorporated into the 1991 Act of the UPOV by a system of dependency based on the new concept of "essential derivation" (article 14(5)(a)(i), (b)(i)(ii)(iii) and (c).

That article is unfortunately worded in very unclear and at times redundant language, which makes it difficult to understand and, *a fortiori*, to interpret in a uniform way.

In particular, the sentence appearing in paragraph 14.5.b.iii

*"except for the differences which result from the act of derivation"*

is somewhat confusing (one may indeed argue that what, in point of fact, **characterizes derivation**, is the "*retention of the essential characteristics*" of the initial variety (INV) or the "*conformity*" of the EDV with the INV, not the "*differences*").

Therefore, a revision of the language concerning EDVs is necessary. CIOFORA submits that their definition should appear in the introductory provisions of the UPOV Convention concerning "definitions" (article 1) or in those relating to the conditions for protection (distinctness etc...) in order to concentrate on the "**differences**" (minimum distances) required for such varieties to be granted a title of protection. The "*differences*" should indeed be mentioned in order to emphasize the borderline between an EDV (for example a mutation) that deserves protection because, although reproducing the "essence" of the INV, it is clearly distinguishable from the INV and another EDV that does not exhibit such a necessary difference (or not broad enough differences) and therefore is not protectable and constitutes an

"ordinary" infringement.

As to article 14(5)(a)(ii), which establishes a new case for infringement, it should be developed in order to give the breeder of a protected variety a stronger perimeter of protection where a 'new' variety offers too many **similarities** or "**resemblances**" with his/her protected variety and therefore constitutes an infringement.

In the last paragraph last paragraph of 3.3 above we mentioned the growing concern expressed by some breeders in relation with the increasing danger of *plagiarism* due to more and more sophisticated breeding methods or to systematic and frenzied inbreeding or selection that permit to obtain a free ride on other breeders' work even where the result of that *plagiarism* breeding is NOT an essentially-derived variety.

**CIOPORA THEREFORE SUBMITS THAT "DEPENDENCY" OR "ORDINARY INFRINGEMENT" SHOULD BE PROVIDED FOR IN ALL CASES, EVEN ABSENT DERIVATION, WHERE THE "ESSENTIAL CHARACTERISTICS" OF A GIVEN PROTECTED VARIETY ARE REPRODUCED.**

In that respect, CIOPORA would like to cite the unfortunate court decision made by the Court of Appeals for the Federal Circuit in the USA (*Imazio*; *Fed. Cir. 1995*)<sup>26</sup> in a Plant Patent infringement

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the *Imazio* decision in the United States, refusing to admit infringement where "derivation" is not proved, clearly illustrates the sorry plight of breeders who have to "prove" derivation. If that ruling by the US Courts is maintained by future case law, the specific "plant patent" protection may soon, just like *sui generis* breeders' rights, be looked upon as the "poor relation" to a standard "utility patent" protection, under which derivation is not necessary for infringement to be assessed!

case . While for years, breeders had found that kind of protection quite satisfactory, this court decision of the mid nineties made it necessary, for a plant patent holder to establish infringement of his/her plant patent, to prove that the allegedly infringing plant was 'derived from', that is to say was the exact replica of, the patented plant! This decision has opened an unacceptable loophole in the scope of rights of breeders of vegetatively-reproduced plants and has made the plant patent a less potent means of protection than the utility patent. Although a future decision might well reverse *Imazio*<sup>27</sup>, **CIOPORA SUGGESTS, FOR THE SAKE OF LEGAL SECURITY, THAT THE US PLANT PATENT ACT BE AMENDED IN SUCH A WAY THAT, IN 35 U.S.C. 163 AND 35 U.S.C. 162, THE WORD "PLANT" BE SUPERSEDED WITH THE WORD "VARIETY"**. This would enable the plant patent holder to establish infringement, where the alleged infringing variety has the same essential characteristics as those of the patented variety, without having to prove that it is an actual replica of the patented plant.

Last but not least, one should harmonize the national laws on plant breeders' rights in respect of dependency on an international basis, in order to avoid dangerous discrepancies in the conditions under which breeders may exercise their rights on the global market. This would also enable member countries of

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It is interesting to note that in 1992 the Federal District Court for the Northern District of California had (rightly, in our opinion) ruled that, in order to prove plant patent infringement, it was only necessary to show that the infringing plant 'has the same essential characteristics as the patented plant'!

the WTO (World Trade Organization) to better abide by their obligations under article 27.3.b of the TRIPS Agreement, whether they have ratified the 1978 Act (no provisions on 'product' dependency) or the 1991 Act of the UPOV Convention.

### **3.5 - EXHAUSTION OF THE BREEDER'S RIGHT**

The 1991 Act of the UPOV Convention, which has otherwise brought improvements to the 1978 Act, has introduced the principle of "exhaustion" of the breeder's right.

This principle has unfortunately been drafted in a too general way compared with the more objective and reasonable wording of subparagraph (1)(iii) of article 16 of the Basic Proposal (document DC/91/3) which served as a working document for the Diplomatic Conference of March 1991.

**CIOPORA SUBMITS THAT, BECAUSE OF THAT TOO BROAD LANGUAGE, THE 1991 CONVENTION *SUI GENERIS* DEFINITION OF THE PRINCIPLE OF EXHAUSTION DOES NOT OFFER TO BREEDERS THE INDISPENSABLE PARITY WITH PATENT PROTECTION AS REQUIRED UNDER ARTICLE 27.3.B OF THE TRIPS AGREEMENT. IT IS THEREFORE NECESSARY THAT MEMBER COUNTRIES OF UPOV SHOULD SEE TO IT THAT, IN THEIR NATIONAL LAWS, EXHAUSTION SHOULD EXIST ONLY FOR THE SPECIFIC FIELD OF USE FOR WHICH THE BREEDER HAS LICENSED HIS/HER VARIETY AND ONLY FOR THE SPECIFIC TERRITORY WHERE THE LICENSED TITLE IS VALID.**

## 4 - Variety Denominations

For the grant of plant variety protection, both Acts (1978 and 1991) of the UPOV Convention make it a condition that the variety, for which an application for protection is filed, is designated by a “denomination” in accordance with the provisions of article 13 (1978 Act) or of article 20 (1991 Act).

The bars to the acceptability, by national authorities of a member country of UPOV, of a denomination proposed by an applicant for plant variety protection are restrictively enumerated by the Convention.

CIOPORA already had an opportunity in the late seventies, in full concurrence with other breeders’ associations, to stress how important it was that member countries should not be more restrictive than the Convention itself as to what may constitute a valid denomination.

**CIOPORA WISHES TO REITERATE ITS STRONG SUPPORT FOR MAXIMUM FLEXIBILITY AS TO THE NAMES, WORDS, CODES OR SIGNS THAT ARE ELIGIBLE FOR THE IDENTIFICATION OF A VARIETY.**

It also wishes to express its marked preference for “coded” denominations which give an optimum possibility for applicants to avoid potential oppositions and delays in the formal examination and grant of the title due to “prior use” of an identical denomination. The CPVO (Community Plant Variety Office) has already officially accepted the “feasibility” of coded denominations and it is to be hoped that, with the recent appointment of a Small Committee on denominations at UPOV level, this pioneer step will be supported by UPOV and followed by other countries or regional authorities.

CIOPORA ALSO SUBMITS THAT, WHERE APPLICANTS USE FANCY NAMES OR WORDS, INSTEAD OF CODES, FOR THEIR DENOMINATIONS, THEN THE EXAMINING AUTHORITIES SHOULD NOT ONLY MAKE A “PRIOR SEARCH” WITHIN THE LISTS OF OTHER EXISTING “DENOMINATIONS” BUT ALSO WITHIN THE LIST OF PRIOR TRADEMARKS FILED FOR PRODUCTS IN INTERNATIONAL CLASS 31. THIS WOULD SAVE UNNECESSARY LITIGATION WITH HOLDERS OF TRADEMARK RIGHTS HAVING PRIORITY OVER THE APPLICANT OF PLANT VARIETY PROTECTION (SEE 1.4 ABOVE).

## 5 - Enforcement of Plant Variety Protection

Article 41 of the TRIPS Agreement provides that members of the WTO ‘*shall ensure that enforcement procedures are available under their law so as to permit **effective action** against any act of infringement of intellectual property rights covered by this Agreement, including expeditious remedies to prevent infringements and remedies which constitute a **deterrent to further infringement**’... ‘**Procedures** concerning the enforcement of intellectual property rights shall be fair and equitable. They **shall not be unnecessarily complicated or costly**, or entail unreasonable time-limits or unwarranted delays’.*

CIOPORA WANTS TO UNDERLINE THAT THE ABOVE CONDITIONS ARE STILL FAR FROM BEING IMPLEMENTED BY MANY OF THE COUNTRIES THAT HAVE A LEGISLATION ON PLANT VARIETY PROTECTION.

This, combined with the above-mentioned deficiencies in the definition of the scope of protection in many laws, makes it difficult for breeders to **effectively** uphold their rights before the Courts and discourage the unfair practices of some die-hard infringers. The consequences are particularly severe and damaging for the small and medium businesses.

An example often cited by breeders is **Poland** where a law exists but where it is extremely difficult, if not impossible, to enforce the law because of the many deficiencies in the general legislative system concerning the implementation of intellectual property rights.

In infringement cases submitted to the Courts, the experts that intervene (sometimes the same as those who perform the examination!) have an untoward tendency to compare varieties (the protected one and the allegedly infringing variety) on the basis of the apparent differences instead of on the basis of the apparent resemblances or similarities as should be the case in an infringement issue.

Many breeders complain that, when they win an infringement case, the damages allowed to the title holder are often not high enough in order to constitute a real deterrent for infringers.

**CIOPORA BELIEVES THAT PENAL SANCTIONS FOR INFRINGEMENTS SHOULD ALSO BE PROVIDED FOR IN NATIONAL LAWS, OVER AND ABOVE CIVIL SANCTIONS.**

CIOPORA is now in touch with the Directorate General for customs policy of the European Commission and is actively promoting the inclusion of breeders' rights in the Council Regulation on the Customs aspects of IPR protection. This should encourage a better awareness of the financial damages caused to breeders by the new "global" plant piracy and should enable the European authorities to give breeders better weapons to fight such piracy. The same measures should be undertaken at national level outside of Europe.

**THE ENFORCEMENT OF PLANT VARIETY PROTECTION AND THE FIGHT AGAINST PLANT VARIETY PIRACY DEPEND LARGELY ON THE WAY THE SCOPE OF RIGHTS IS DEFINED BY THE LAW. THIS IS WHY A BETTER**

**AND MORE EXTENSIVE DEFINITION OF THE SCOPE IS AN ESSENTIAL PRIORITY IN ALL COUNTRIES CONCERNED.**

As regards the enforcement of ***Community Breeders' Rights***, it is absolutely necessary that the European judicial procedures should clearly permit that any national court in a member state of the E.U. should have jurisdiction to decide infringement and validity of a Community title for the whole territory of the Union. This, of course, presupposes that all member countries of the E.U. have courts and judges with the same qualification and the same experience in that field of industrial property, which is unfortunately not yet the case as already indicated. Appeals from lower courts should be directed to a single plant breeders' rights court of appeal or to selected courts (e.g. those already established for patent infringement cases, because of similar experience in industrial property) in order to guarantee a unitary and qualified case law.

It is still very difficult, in **Greece** and in **Germany**, to enforce a Community Plant Variety Certificate to stop infringing plants imported from non-EU countries.

Another important point is that, where a litigation is about an allegedly essentially derived variety, the burden of proof should exceptionally be inverted in favor of the breeder of the variety of origin since it is the 'breeder' of the allegedly infringing plant that is best placed for supplying the relevant information about the exact origin of his/her variety.

## 6 - Miscellaneous

### 6.1 - BIOTECHNOLOGY AND TRANSGENIC PLANTS

CIOPORA has always supported strong protection of industrial property in all fields of research including biotechnology<sup>28</sup>.

The subject matter of protection in the field of biotechnology and genetic engineering, when applied to plants, is either processes or gene constructs and is therefore entirely distinct from the subject matter of plant variety protection, which is a variety.

Whereas the adequate vehicle for the protection of a plant variety can be, depending on the policy adopted by specific countries, either a plant breeders' rights certificate or a plant patent or a utility patent (necessarily a product patent), the adequate vehicle for the protection of biotechnology can only be patents (process or product patents) in view of the usually numerous claims involved.

**THE QUESTION WHETHER A TRADITIONAL BREEDER SHOULD BE FREE TO USE "PATENTED" TRANSGENIC PLANT MATERIAL FOR FURTHER BREEDING IS ANSWERED IN THE AFFIRMATIVE BY CIOPORA (SEE PARAGRAPH 3.3 ABOVE AND FOOTNOTE 23 DEVOTED TO THE**

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See Comments of CIOPORA, dated May 25 1989, on the Proposal for a Council Directive on the Legal Protection of Biotechnological Inventions

**COMPARISON BETWEEN THE BREEDER'S EXEMPTION AND THE EXPERIMENTAL USE DEFENSE TO INFRINGEMENT IN PATENT LAW).**

Of course the breeder using such patented material must be aware that he will be infringing the biotech patent as soon as he/she markets progeny of such breeding work that incorporates the patented biotech material (gene...).

Where a biotech patent covers a particular gene, the interest of the patent owner is not to protect specific varieties (too many plant breeders' rights certificates or plant patents or utility patents would have to be filed) but rather to cover any commercial "plants" that incorporate the patented gene. It is therefore only fair that such patent owners should be able to impose the payment of a royalty to those who, whether directly or indirectly, have developed, and market, varieties that incorporate the patented material.

**Vice versa, the same should hold true where a patentee wishes to market transgenic plants (with patented gene) which constitute an essentially derived variety of an already protected "variety" : conditions for the grant of a compulsory license between the holder of a biotech patent and the holder of a plant variety protection title, or the other way round, should be reciprocally equivalent so that a fair balance of rights can be established between the holders of biotech patents and the traditional breeders holding patents or plant breeders' rights covering a specific variety<sup>29</sup>.**

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Already in 1989, CIOPORA criticized the lack of balance in the

## **6.2 - FARM SAVED SEED (FARMER'S PRIVILEGE)**

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provisions of the draft Convention on the Protection of Biotechnological Inventions concerning compulsory licenses (today taken over in article 12.3.b of Directive 98/44/EC on the Legal Protection of Biotechnological Inventions)

Although its members (breeders of asexually-reproduced ornamental and fruit varieties) are not, contrary to their colleagues of the seed industry, concerned by the so-called “agricultural exemption”<sup>30</sup>, CIOPORA generally considers that Industrial Property protection should not be hampered by exceptions other than the classical ones relating to research and private use. If, for some reason, farmers, and more particularly “small farmers”, have to be helped out economically this should be implemented within the framework of separate, specific legislation but not through an accessory erosion of intellectual property rights.

**CIOPORA WANTS TO VEHEMENTLY PROTEST AGAINST THE INDIRECT APPLICATION, BY SOME COUNTRIES, OF THE AGRICULTURAL EXEMPTION TO PRODUCTS WHICH NORMALLY FALL OUTSIDE THE AREA OF APPLICATION OF SAID EXEMPTION: FOR INSTANCE, THE LAWS OF BRAZIL, (IN ARTICLE 10, PARAGRAPH II OF THE *CAPUT*) AND CHINA (ARTICLE 10 II) CONTAIN PROVISIONS WHICH, FOR VEGETATIVELY-REPRODUCED PLANTS, MAKE PROTECTION TOTALLY INEFFECTIVE AND THUS NOT IN COMPLIANCE WITH THE BASIC PROVISIONS OF TRIPS (ARTICLE 27.3.B ALREADY CITED).**

### **6.3 - BIO-DIVERSITY, FARMER’S RIGHTS AND TRADITIONAL**

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see Recommendation relating to Article 15(2) published in the Final Draft of the 1991 Act of the UPOV Convention

## KNOWLEDGE

Some pressure groups have been trying to present the protection of industrial property rights as having a negative impact on the maintenance of adequate **bio-diversity** and as contributing to bio-piracy.

**CIOFORA STRONGLY DENIES SUCH AN UNWARRANTED ASSERTION WHICH HAS IN FACT NO OTHER PURPOSE THAN TO FIND INDIRECT MEANS TO WEAKEN INDUSTRIAL PROPERTY LAWS.**

Industrial Property rights in general, and plant breeders' rights in particular, cannot affect *existing material*. They solely concern *new products or varieties* that is to say the result of innovative work. Therefore one cannot affirm that they have a negative impact on the maintenance of bio-diversity. As to the bio-resources themselves, the more they are used the longer they can be preserved.

Therefore work on the CBD (Conference on Bio-Diversity) and work on the UPOV Convention and other treaties concerning Industrial Property Rights should be tackled separately.

More recently, notably in ***South Africa*** and ***India***<sup>31</sup>, some authorities have introduced the concept of the "**Farmer's Right**" into the legislative debate on plant variety protection.

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It is interesting to note that the title of the recent law on plant breeders' rights in India is "*The Protection of Plant Varieties and Farmers' Rights Act No 53 of 2001*" !

Such a hotchpotch must be opposed.

The basic goal of CIOFORA is to foster the protection of all proprietary rights pertaining to human efforts that benefit mankind; therefore CIOFORA is by no means opposed to the recognition of such rights to the various categories of individuals and professional categories that deserve to be protected.

However, the mixing up of such concerns with the basic and very specific provisions of Industrial Property laws (patents, plant variety protection etc...) is a wrong approach which can only bring confusion and, again, an erosion of industrial property rights. Why not a craftsman's right or a baker's right or an engineer's right etc...?

If the innovative work and/or traditional knowledge of farmers are not sufficiently protected under the existing laws on "proprietary know-how" or if they are not up to the standards/requirements of existing patent and plant variety protection laws, and if this actually poses a legal problem (*the very first priority should be to identify the existing needs*), then this problem must be addressed separately by the authorities concerned through an *Ad hoc* legislation but NOT by cutting back on other existing rights.

## **Conclusion**

For historical reasons, to-day's system of Plant Variety Protection was born in a conflicting environment. This accounts for the very weak level of protection reflected in the 1961/78 UPOV Convention.

It is still a fairly young branch of Industrial Property Law and this also accounts for a number of imperfections in the drafting of the various legislative provisions.

The debate on the patentability of living matter which was organized by WIPO in the late 80s certainly contributed to a better evaluation of the deficiencies of the existing system and was no doubt instrumental in prompting the improvements brought to the UPOV Convention in 1991.

To-day, with the on-going implementation of the TRIPS Agreement, taking one step further has become necessary.

Since the UPOV Convention represents only a minimum compulsory level of protection and requires time for revision, CIOFORA considers that a prompt solution to the problems evoked in this Green Paper can directly be sought through an improvement of the relevant national laws on Plant Variety Protection. However, the guidance and technical assistance of the UPOV Office and of WIPO will no doubt be necessary in order to ensure the indispensable harmonization.

CIOPORA is hopeful that the views expressed in this Paper will be taken into consideration by the various authorities concerned. They may not be adaptable to all of the strictly “agricultural” plant species but they do reflect the specific needs and requirements of the horticulture and nursery sectors represented by CIOPORA.

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