

Issues around PVP in Public Research Institute in Japan

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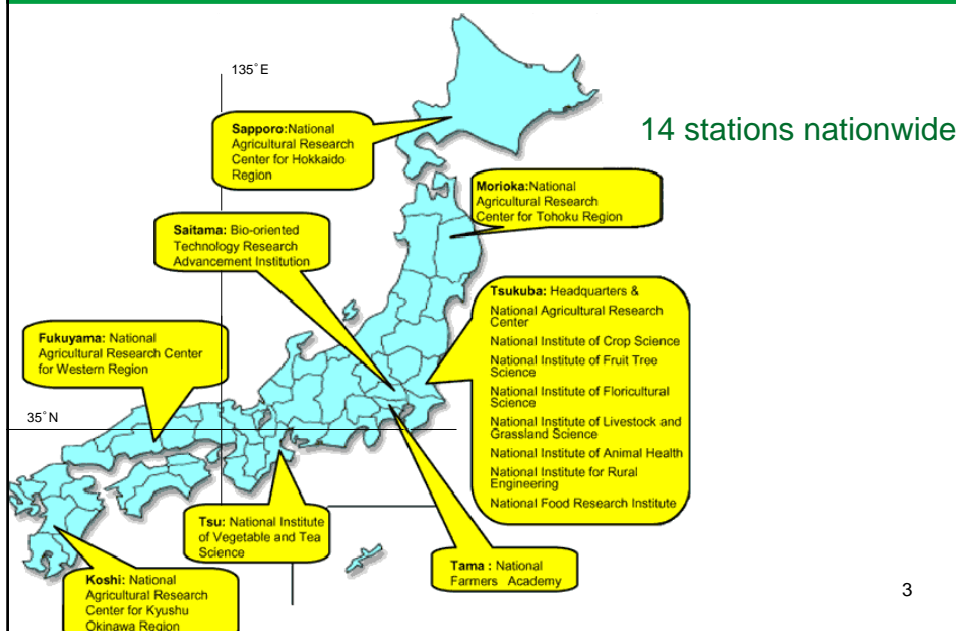
Food and Agriculture for the Future

About NARO

The National Agriculture and Food
Research Organization (NARO) :

- The largest public research institute addressing “Agriculture, Food and Rural Affairs” in Japan
- Breeding of “basic” and “leading” varieties
 - Food crops (ex: Rice, Wheat, Soybean)
 - Horticultural crops (ex: Fruit, Vegetable)

Organization



NARO's Duty

- NARO is a *public* research institute
- Its most important duty is to transfer and disseminate research outcome for public uses.

Role of IP Center



- Founded as an internal office within NARO headquarter, in April 2006
- Purpose: Centralization of IP management
- Main task: Acquisition and utilization of intellectual property rights
- Management of:
 - Patent right
 - Breeder's right,
 - Copyright (Computer program & Database only)

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IP Policy



- Established the “Intellectual Property Policy” in April 2006
- Dissemination of research outcome
 - Acquisition of rights and commercialization through licensing
 - Publication of research outcome

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Patent Policy



- **Domestic Patent**
 - Inventions intended for commercial use
- **Foreign Application**
 - Inventions intended for commercial use in foreign countries
 - Cost considerations given

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PBR Policy



- **Domestic PBRs:**
 - Varieties with new characteristics
 - Varieties with genotypes useful for use as a breeding material

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- **Foreign Application**
 - Varieties intended for commercial use in foreign countries
 - Consideration for influences on Japanese agriculture

- “Employee-breeding Rule”

Breeding by employees



Recognition as “employee-breeding”



Applicants' title assigned to NARO



Application and PBR acquisition

Changes after 2001



Before March 2001

Applicant's title: Government

↓ *Transformation into Independent Agency*

After April 2001

Applicant's title: NARO

- IPRs owned by government as of April 2001 were transferred to NARO

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"2nd Middle-term Plan"



- The Minister of Agriculture, Forestry and Fisheries established targets for FY2006-FY2010 of NARO.
- NARO set the "2nd Middle-term Plan" to attain the targets.

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1. Domestic PBRs

- Target for number of domestic PBR applications in the “2nd Middle-term Plan” : >140 varieties (FY2006~FY2010)

- About 40 applications annually (FY2006~)

	2006	2007	2008	2009
Application	34	45	39	38
PBRs in force (cum)	383	402	426	458

1. Domestic PBRs (cont')

	PBRs in force (2010/3/31)	Applications (FY2009)
• Rice	74	8
• Wheat	28	
• Soy Bean	21	1
• Fruit crops	89	9
• Ornamental crops	15	1
• Vegetables	44	3
• Potato/Sweet Potato	51	4
• Forage crops	65	4
• Others	71	8
Total	458	38

2. Foreign PBRs

- PBRs in force (~2010/3/31)

Soy Bean	2
Fruit crops	24
Sweet Potato	6
<hr/>	
Total	32

- Applications:

EU, U.S.A., New Zealand, Israel, Australia,
China etc.

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- Joint research with partners from food and agriculture industry
- Joint ownership of research outcome including intellectual properties

Jointly-bred varieties



Joint ownership with private enterprise,
prefecture or other agencies

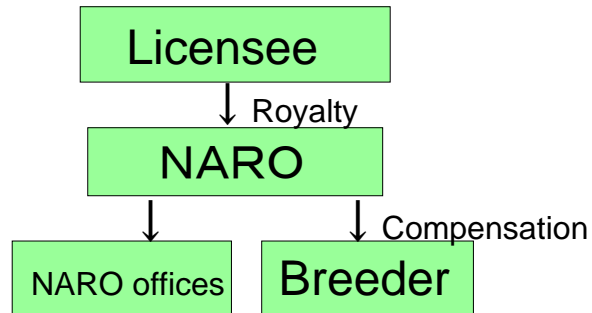
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- Mere application and registration are nothing
- Utilization of IPs is crucial for the benefit of the society
 - Active licencing

General rule

- Non-exclusive license
- Royalty :
Negotiation on a case-by-case basis

Royalty Income



- Royalty : important revenue for NARO
- A part of royalty income is given to breeders as a compensation payment, the rest is used for intellectual property management within the NARO

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Royalty Policies(cont')

- **Amount:**

Sales of seeds/seedlings × Royalty rate

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Royalty Policies(cont')



- Before 2001;
 - Fixed at 0.16% or 0.32%
- After 2001;
 - Transformation as an independent agency
 - Need for NARO's own income source
 - Royalty rate amended to 1~5%
- Consideration for political priority;
 - Improvement of food self-sufficiency
 - Royalty rate for major crops remains lower

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Compensation



- Incentive payment to breeders
- Amount of compensation
 - 1) Royalty income of the FY \leq 5,000,000 yen
Profit \times 50/100
 - 2) Royalty income of the FY $>$ 50,000,000 yen
(Profit - 50,000,000) \times 20/100 + 16,500,000yen

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- “Infringement Countermeasures Committee” was established within NARO
- Measures against infringement
 - Warning
 - Appeal to the court for injunction

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- PVP leads to development of elite plant varieties (royalty-breeding cycle)
- Active utilization is the key
- IPRs as the core for dissemination of research outcome for public uses

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**THANK YOU FOR
YOUR ATTENTION**