



C(Extr.)/25/7

ORIGINAL: English

DATE: April 4, 2008

INTERNATIONAL UNION FOR THE PROTECTION OF NEW VARIETIES OF PLANTS
GENEVA

COUNCIL

Twenty-Fifth Extraordinary Session
Geneva, April 11, 2008

EXAMINATION OF THE CONFORMITY OF THE LAW NO. 8631 ON PROTECTION OF NEW VARIETIES OF PLANTS AND OF THE MOTION TO THE DRAFT LAW ON AMENDMENTS AND ADDITIONS OF VARIOUS NORMS REGULATING INTELLECTUAL PROPERTY-RELATED MATTERS (FILE 16.955) OF THE REPUBLIC OF COSTA RICA WITH THE 1991 ACT OF THE UPOV CONVENTION

Document prepared by the Office of the Union

Introduction

1. By letter dated March 27, 2008, addressed to the Secretary-General of UPOV, His Excellency Mr. Javier Flores Galarza, Minister for Agriculture and Livestock of the Republic of Costa Rica (hereinafter referred to as "Costa Rica") requested the examination of the Law No. 8631 on Protection of New Varieties of Plants (hereinafter referred to as the "Law"), which was promulgated on March 6, 2008 and published on March 19, 2008, and of a motion for the amendment of Articles 2, 3 and 8 of the Law in the context of the Draft Law on Amendments and Additions of Various Norms Regulating Intellectual Property-Related Matters (File 16.955) (hereinafter referred to as the "Motion to the Draft Law") for conformity with the 1991 Act of the UPOV Convention (hereinafter referred to as the "1991 Act"). The letter is reproduced in Annex I to this document. Annex II contains a translation in English of the Law. Annex III contains a translation in English of the Motion to the Draft Law.

2. Article 34(3) of the 1991 Act provides that "[a]ny State which is not a member of the Union and any intergovernmental organization shall, before depositing its instrument of accession, ask the Council to advise it in respect of the conformity of its laws with the

provisions of this Convention. If the decision embodying the advice is positive, the instrument of accession may be deposited.”

3. The Government of Costa Rica started the procedure to become a member of UPOV by a letter dated March 18, 1999, in which His Excellency Mr. Esteban R. Brenes, Minister for Agriculture and Livestock, requested the advice of the Council of UPOV on the conformity with the 1991 Act of the “Bill on the Protection of New Plant Varieties”.

4. At its sixteenth extra-ordinary session, on March 26, 1999, the Council decided to:

“(a) to advise the Government of Costa Rica that the Bill on the Protection of Plant Varieties (the Bill) provided the basis for a law conforming with the Convention;

“(b) to further advise the Government of Costa Rica that after the enactment into law of the Bill with no substantial alterations, and after the adoption of suitable regulations, it may deposit an instrument of accession to the Convention;

“(c) to request the Secretary-General to inform the Government of Costa Rica of its decision.”

5. The above decision of the Council of March 26, 1999, is no longer relevant since the Law is different from the Bill of 1999. For this reason, and pursuant to Article 34(3) of the 1991 Act, the Government of Costa Rica had made a new request (see paragraph 1 of this document), in order to ask the advice of the Council in respect of the conformity of the Law and the Motion to the Draft Law with the 1991 Act.

Basis for the Protection of New Plant Varieties in Costa Rica

6. An analysis of the Law as it would be amended by the Motion to the Draft Law follows in the order of the substantive provisions of the 1991 Act.

Article 1 of the 1991 Act: Definitions

7. Article 4 of the Law contains the definitions of “Plant breeder’s title” and “variety” in line with the corresponding definitions in Article 1 of the 1991 Act.

8. Articles 4 and 6 of the Law provide the definition of breeder corresponding to Article 1 of the 1991 Act.

9. Article 4 of the Law contains a definition of essentially derived varieties corresponding to the definition in Article 14(5)(b) of the 1991 Act.

10. Article 4 of the Law contains the following definition of “variety whose existence is a matter of common knowledge”, subparagraph (a) of which corresponds to Article 7 of the 1991 Act:

“A variety shall be considered a matter of common knowledge, if in particular

- (a) it has been entered, or is in the process of being entered, in a register of commercial or protected varieties, if this leads to the grant of the right or the entry of the variety in the corresponding register.
- (b) is part of a reference collection or a germoplasm bank.
- (c) has been or is in the process of commercialization.
- (d) was the subject of a specific description published at the national or international level.
- (e) is protected by intellectual community sui generis rights, these rights having been registered or not, in accordance with Articles 82 and 84 of the Law on Biodiversity No. 7788, provided that the variety is described sufficiently and it is possible to verify its existence.”

11. Article 4 of the Law also provides definitions of the terms “discovered and developed [*puesto a punto*]”, “develop”, “material” (in addition to the definition of “material” in Article 21 of the Law which corresponds to the definition of “material” in Article 16 of the 1991 Act), “seed” and “protected variety”.

Article 2 of the 1991 Act: Basic Obligation of the Contracting Parties

12. The first paragraph of Article 1 of the Law provides that “[t]he aim of this Law shall be to establish the legal rules for the protection of the rights of breeders of plant varieties, safeguarding the right to use by small and medium-sized farmers”.

Article 3 of the 1991 Act: Genera and Species to be Protected

13. Article 2 of the Law, as amended by the Motion to the Draft Law, would read as follows:

“Article 2: Sphere of application.

The sphere of application of this Law shall extend to varieties of all plant genera and species.

Protection shall not be granted for wild plants within the biodiversity of Costa Rica which have not been bred by persons, access to which shall be regulated in accordance with the relevant legislation in force.”

Article 4 of the 1991 Act: National Treatment

14. Paragraph (a) of Article 6 of the Law provides that “[a] plant breeder’s certificate may be applied for by the breeder of a variety, be it a natural person or legal entity, either national or foreign. Where this is the successor in title or transferor of the right, such status shall be proven.”

Articles 5 to 9 of the 1991 Act: Conditions of Protection, Novelty, Distinctness, Uniformity and Stability

15. Articles 12 to 16 of the Law contain provisions on the conditions of protection corresponding to the provisions of Articles 5 to 9 of the 1991 Act.

16. In relation to the second sentence of Article 7 of the 1991 Act, Article 4 of the Law contains a definition of “variety whose existence is a matter of common knowledge” (see paragraph 10 above).

17. Subject to the adoption of the amendment to Article 3 of the Law, as presented in the Motion to the Draft Law, with no changes, the Law would not appear to contain provisions which conflict with Article 5(2) of the 1991 Act.

Article 10 of the 1991 Act: Filing of Applications

18. Articles 6 and 7 of the Law contain provisions relevant for the filing of applications. The Law does not appear to contain provisions which conflict with Article 10 of the 1991 Act.

Article 11 of the 1991 Act: Right of Priority

19. Article 10 of the Law contains provisions on the right of priority in conformity with Article 11 of the 1991 Act.

Article 12 of the 1991 Act: Examination of the Application

20. Article 8 of the Law contains provisions concerning the examination of the application.

21. Article 8(b) of the Law, as amended by the Motion to the Draft Law, would read as follows:

“(b) By means of examination reports drawn up by other competent authorities or by specialist bodies in the framework of international cooperation. Such bodies shall act independently and shall safeguard the legitimate interests of the breeder. Ofinase shall take the necessary measures to this end.”

22. Once the amendment in paragraph 21 above is adopted, Article 8 of the Law would contain provisions corresponding to the provisions of Article 12 of the 1991 Act.

Article 13 of the 1991 Act: Provisional Protection

23. Article 9 of the Law contains provisions on provisional protection in line with Article 13 of the 1991 Act.

Article 14 of the 1991 Act: Scope of the Breeder's Right

24. Articles 18 and 28 of the Law contain provisions on the scope of the breeder's right.

25. In relation to the provision of Article 14(1)(b) of the 1991 Act, Article 28 of the Law provides as follows:

“Article 28. Contractual licenses

“The owner of a plant breeder's right may grant to third parties, on an exclusive or non-exclusive basis, a license covering all or part of the breeder's rights. In order for these operating licenses to take effect in relation to third parties, they shall be entered in the Register of Protected Varieties.”

26. The Government of Costa Rica has confirmed in a communication dated April 2, 2008, (see Annex IV of this document) that the provision of Article 14(1)(b) of the 1991 Act “the breeder may make his authorization subject to conditions and limitations” is applicable, although it is not expressly referred to in the Law, because the legal system of Costa Rica (Article 28 of the Constitution and Article 1.022 of the Civil Code) enables such a provision.

27. Article 4 of the Law contains a definition of essentially derived variety corresponding to the definition in Article 14(5)(b) of the 1991 Act. Article 4 of the Law also contains the provisions of Article 14(5)(c) of the 1991 Act.

Article 15 of the 1991 Act: Exceptions to the Breeder's Right

28. Articles 22 and 23 of the Law contain provisions concerning the exceptions to the breeder's right, as follows:

“Article 22. Exceptions to the Breeder's Right

“The breeder's right shall not be extended where third parties use the protected variety, involving acts:

- (a) done privately for non-commercial, non-profit-making purposes.
- (b) done for experimental, scientific research or educational purposes.
- (c) done in order to create new varieties, as well as acts referred to in paragraphs (a) and (b) of Article 18 of this Law done with such varieties, except where the provisions of paragraph (c) of Article 18 apply.”

“Article 23. Exception to the breeder's right for farmers

“Those who, within reasonable limits and subject to the safeguarding of the legitimate interests of the breeder, store and sow on their own holdings harvested material which they have obtained by planting, on their own holdings, a protected variety or a variety covered by paragraph (c) of Article 18 of this Law shall not infringe the breeder's right. Fruit-bearing, ornamental and forest species shall be excluded from this provision where they are planted for commercial ends.”

Article 16 of the 1991 Act: Exhaustion of the Breeder's Right

29. Article 21 of the Law contains provisions concerning the exhaustion of the breeder's right corresponding to Article 16 of the 1991 Act.

Article 17 of the 1991 Act: Restrictions on the Exercise of the Breeder's Right

30. Article 29 of the Law makes a provision for the granting of a compulsory license for reasons of public interest, stating that "the conditions for the grant of compulsory licenses, together with the breeder's right to receive equitable remuneration, shall be defined by the Regulations".

31. Subject to the adoption of the amendment to Article 3 of the Law, as presented in the Motion to the Draft Law, with no changes, the Law would not appear to contain provisions which conflict with Article 17 of the 1991 Act.

Article 18 of the 1991 Act: Measures Regulating Commerce

32. Subject to the adoption of the amendment to Article 3 of the Law, as presented in the Motion to the Draft Law (see paragraph 41 below), with no changes, the Law does not appear to contain provisions which conflict with Article 18 of the 1991 Act.

Article 19 of the 1991 Act: Duration of the Breeder's Right

33. Article 19 of the Law contains provisions concerning the duration of the breeder's right in line with Article 19 of the 1991 Act.

Article 20 of the 1991 Act: Variety Denomination

34. Article 17 of the Law contains provisions on variety denominations in line with Article 20 of the 1991 Act.

Article 21 of the 1991 Act: Nullity of the Breeder's Right

35. Article 26 of the Law contains provisions on the nullity of the breeder's right in line with Article 21 of the 1991 Act.

Article 22 of the 1991 Act: Cancellation of the Breeder's Right

36. Article 27 of the Law contains provisions on the cancellation of the breeder's right corresponding to the provisions in Article 22 of the 1991 Act.

Article 30 of the 1991 Act: Implementation of the Convention

37. In relation to the obligation to “provide for appropriate legal remedies for the effective enforcement of breeders’ rights” (Article 30(1)(i) of the 1991 Act), the Law provides the following:

(a) Articles 34 to 40 of the Law provide for the available provisional measures to enforce the breeder’s right;

(b) Articles 41 to 48 of the Law provide for the available border measures to enforce the breeder’s right; and

(c) Articles 51 to 55 of the Law provide for the available civil actions and remedies to enforce the breeder’s right.

38. In relation to the obligation under Article 30(1)(ii) of the 1991 Act, Article 11 of the Law provides that “[o]nce the application for the grant of the breeder’s right has satisfied all the requirements, Ofinase shall enter it in the Register of Protected Varieties and shall grant the plant breeder’s certificate.”

39. The second paragraph of Article 7 of the Law provides that

“The procedures and rules devised in accordance with the law shall include, as a minimum, the requirements that must be satisfied by applications for the plant breeder’s title, the obligation to publish notification of the applications filed and the opportunity for third parties to submit objections to the applications filed, prior to their grant and the competent authority for the settlement of the procedure. Information shall also be published concerning breeder’s rights granted and proposed and approved denominations.”

40. Article 7 of the Law corresponds to the obligation to publish information concerning applications for and grants of breeders’ rights, and proposed and approved denominations as required in Article 30(1)(iii) of the 1991 Act.

Other Matters

41. Article 3 of the Law, as amended by the Motion to the Draft Law, would read as follows:

“Article 3- National Interest

“The activity of creating varieties by natural persons and legal entities, public or private, shall be declared to be in the national interest on account of the benefits derived there from for national development and agricultural competitiveness.”

42. Subject to the adoption of the amendment to Article 3 of the Law, as presented in the Motion to the Draft Law, with no changes, the Law would not appear to contain provisions which conflict with the 1991 Act.

General Conclusion

43. In the opinion of the Office of the Union, the Law, with the proposed amendments in the Motion to the Draft Law, incorporates the substantive provisions of the 1991 Act. On that basis, once the proposed amendments in the Motion to the Draft Law are adopted, with no changes, and in force, Costa Rica would be in a position “to give effect” to the provisions of the 1991 Act, as required by its Article 30(2).

44. *The Council is invited to:*

(a) take note of the analysis in this document;

(b) take a positive decision on the conformity of the Law on Protection of New Varieties of Plants of the Republic of Costa Rica, subject to the adoption of the proposed amendments of Articles 2, 3 and 8 of the Law in the Motion to the Draft Law, with the provisions of the 1991 Act of the International Convention for the Protection of New Varieties of Plants; which allows that, once the proposed amendments in the Motion to the Draft Law are adopted, with no changes, and in force, the Republic of Costa Rica may deposit its instrument of accession to the 1991 Act; and

(c) authorize the Secretary-General to inform the Government of the Republic of Costa Rica of that decision.

[Annexes follow]

ANNEX I

Letter from the Minister for Agriculture and Livestock of the
Republic of Costa Rica to the Secretary-General of UPOV

From: Office of the Minister, Ministry of Agriculture and Livestock of the Republic of Costa Rica, San José, Costa Rica

To: Dr. Kamil Idris, Secretary General, International Union for the Protection of New Varieties of Plants (UPOV), 34, chemin des Colombettes, CH-1211 Geneva 20

DM 374

March 27, 2008

Dear Mr. Secretary General,

I hereby wish to inform you that the national *Law on Protection of New Varieties of Plants* was enacted on March 6, 2008 and granted the registration number 8631. It will therefore be known as Law No. 8631 and was published on March 19, 2008 in the Official Journal *La Gaceta* (“The Gazette”).

Further, please find attached a copy of File 16.955, *On Amendments and Additions of Various Norms Regulating Intellectual Property-Related Matters*, and of the motion submitted under that draft Law adding a new Article 7 to amend Articles 2, 3 and 8 of Law No. 8631.

I also wish to announce Costa Rica’s intention to accede to the International Convention for the Protection of New Varieties of Plants (UPOV Convention of December 2, 1961, as revised at Geneva on November 10, 1972, October 23, 1978 and March 19, 1991 (UPOV Convention)).

In this respect, under Article 34.3 of the UPOV Convention, the Government of Costa Rica requests the UPOV Council to advise it of its opinion in respect of the conformity of the Law and the draft Law contained in File 16.955 with the provisions of the UPOV Convention; to this end, please find attached copies of the Law and of the draft Law contained in File 16.955 in both electronic and paper form.

I await your reply advising of [the Council’s] opinion concerning Law No. 8631, the *Law on Protection of New Varieties of Plants*, and File 16.955 *On Amendments and Additions of Various Norms Regulating Intellectual Property-Related Matters*,

Yours sincerely,

[signature]

Javier Flores Galarza
Minister

[Stamp: Minister, Ministry of Agriculture and Livestock]

[Annex II follows]

ANNEX II / ANNEXE II / ANLAGE II / ANEXO II

[In English only / En anglais seulement /
Nur auf Englisch / En Inglés solamente]

**EXECUTIVE AUTHORITY
LAWS**

**No. 8631
LEGISLATIVE ASSEMBLY
OF THE REPUBLIC OF COSTA RICA
HEREBY DECREES:
PROTECTION OF NEW VARIETIES OF PLANTS**

**CHAPTER I
GENERAL PROVISIONS**

ARTICLE 1. Subject

The aim of this Law shall be to establish the legal rules for the protection of the rights of breeders of plant varieties, safeguarding the right to use by small and medium-sized farmers.

The protection granted shall not include the authorization for commercial exploitation of the variety, for which purpose the requirements of the corresponding legislation shall be satisfied; commercialization may be prevented where appropriate in order to protect *ordre public* or morality, including to protect human, animal or plant life or health or to avoid serious harm to the environment.

ARTICLE 2. Sphere of application

The sphere of application of this Law shall extend to the varieties of all plant genera and species; however, for the first ten years following its entry into force, it shall extend to only 15 plant genera and species.

Protection shall not be granted for wild plants within the biodiversity of Costa Rica which have not been bred by persons, access to which shall be regulated in accordance with the relevant legislation in force.

ARTICLE 3. Public interest

The activity of creating protected varieties and the granting of plant variety titles to natural and legal Costa Rican persons, both public and private, shall be declared to be in the public interest for the benefits derived therefrom for national development and agricultural competitiveness. The State shall incorporate these activities in the National Development Plan in a way that fully complements the national legislation in force which ensures access to and protection of biodiversity, *sui generis* community rights and related knowledge.

ARTICLE 4. Definitions

For the purposes of this Law, the following meanings shall apply:

Plant breeder's title: Title granted to the breeder of a plant variety, on the basis of which its rights shall be granted in accordance with this Law.

Discovered and developed [*puesto a punto*]: Process which includes the observation of a natural variation of a plant species, its identification, isolation, selection, reproduction or propagation, characterization and evaluation. The above definition shall not include simple finding.

Develop: Use of genetic improvement techniques to obtain a new plant variety.

Material: In relation to a variety, "material" shall mean:

- (a) Plant propagating material, in any form;
- (b) Harvested material, including entire plants and parts of plants.

Breeder: The natural person or legal entity that has developed or discovered and developed [*puesto a punto*] a new variety.

Ofinase: *Oficina Nacional de Semillas* (National Seeds Office)

Seed: Any plant reproduction or propagation structure intended for the seeding or plantation of a plant variety. This definition shall include sexual and asexual seeds, nursery plants and propagating material produced using biotechnologies.

Variety or cultivar: Grouping of plants within a single botanical taxon of the lowest known rank, which grouping, irrespective of whether the conditions for the grant of a breeder's right are fully met, can be defined by the expression of the characteristics resulting from a genotype or combination of genotypes; to be distinguished from any other plant grouping by the expression of at least one of the said characteristics and to be considered as a unit with regard to its suitability for being propagated unchanged.

Essentially derived variety: Variety which is predominantly derived from an initial variety, or from a variety that is itself predominantly derived from an initial variety, while retaining the expression of the essential characteristics that result from the genotype or combination of genotypes of the initial variety; it is clearly distinguishable from the initial variety and, except for the differences which result from the act of derivation, it conforms to the initial variety in the expression of the essential characteristics that result from the genotype or combination of genotypes of the initial variety. May be obtained through selection of a natural or induced mutant, or of a somaclonal variant, selection of a variant individual from plants of the initial variety, backcrossing or transformation by genetic engineering, *inter alia*.

Variety whose existence is a matter of common knowledge: A variety shall be considered a matter of common knowledge, if in particular

- (a) it has been entered, or is in the process of being entered, in a register of commercial or protected varieties, if this leads to the grant of the right or the entry of the variety in the corresponding register.
- (b) is part of a reference collection or a germoplasm bank.
- (c) has been or is in the process of commercialization.
- (d) was the subject of a specific description published at the national or international level.
- (e) is protected by intellectual community sui generis rights, these rights having been registered or not, in accordance with Articles 82 and 84 of the Law on Biodiversity No. 7788, provided that the variety is described sufficiently and it is possible to verify its existence.

Protected variety: A variety entered in the Register of Protected Varieties.

CHAPTER II ORGANIZATION AND PROCEDURES

ARTICLE 5. Competent authority

The National Seeds Office (Ofinase) shall be the authority competent to receive, process and settle applications for the grant of plant breeder's certificates and their entry in the Register of Protected Varieties set up for this purpose; it shall also be competent to enforce the provisions of this Law and the Regulations thereunder.

ARTICLE 6. Applicant of the right

- (a) A plant breeder's certificate may be applied for by the breeder of a variety, be it a natural person or legal entity, either national or foreign. Where this is the successor in title or transferor of the right, such status shall be proven.
- (b) Unless proven otherwise, the applicant shall be considered the one who has the right to obtain protection.
- (c) Where several persons have created or discovered and developed [*puesto a punto*] a variety jointly, the right to obtain the plant breeder's title shall belong jointly to all those persons, unless agreed otherwise.
- (d) The right to obtain the plant breeder's certificate shall belong jointly to the breeder and to any other natural person or legal entity, where they have agreed to share the said right.
- (e) Any labor contract drawn up between natural persons or legal entities, public or private, devoted to research on and development of new varieties of plants, shall specify clearly the status of breeder.

ARTICLE 7. Procedures and publication

The procedures and general rules for the submission and publication of information on applications, grants of breeder's rights, and proposed and approved denominations, processing, technical examination and settlement of applications for the grant of the breeder's right, shall be established in accordance with the law.

The procedures and rules devised in accordance with the law shall include, as a minimum, the requirements that must be satisfied by applications for the plant breeder's title, the obligation to publish notification of the applications filed and the opportunity for third parties to submit objections to the applications filed, prior to their grant and the competent authority for the settlement of the procedure. Information shall also be published concerning breeder's rights granted and proposed and approved denominations.

ARTICLE 8. Technical examination

Ofinase shall examine varieties included in applications for protection with regard to their distinctness, uniformity and stability under one of the following procedures:

- (a) By means of growing trials or other tests performed by Ofinase itself with the cooperation of other national research institutions and/or organizations.
- (b) By means of inspection reports drawn up by other competent authorities or by specialist bodies in the framework of international cooperation; these bodies shall be entirely independent of the party applying for recognition of the breeder's right.
- (c) On the basis of information on trials (DUS) submitted by the applicant in accordance with the requirements laid down by Ofinase to that end; Ofinase shall be authorized to inspect the trials and verify the results.
- (d) By means of on-site inspections, authorization of DUS examinations carried out by official bodies, documentary review or a combination of the above methods.

Ofinase shall have the power to conclude cooperation agreements with national bodies and competent authorities in other countries in order to fulfill the demands of the technical examination of the varieties contained in protection applications.

ARTICLE 9. Provisional protection

The applicant shall be entitled to claim compensation for damages against any person that, during the period between the publication date of the application and the date of grant of the plant breeder's certificate, has performed acts which, after the grant of the right, require the breeder's authorization. This compensation shall be subject to the grant of the plant breeder's certificate. Publication shall constitute notification of third parties.

ARTICLE 10. Right of priority

- (a) The right of priority shall be granted to an applicant for a plant breeder's certificate where an application has previously been filed for the same variety in countries with which Costa Rica has agreements or treaties in this area. The priority shall consist in the fact that the filing date of the application may be recognized as the date of first application in another country, provided that 12 months have not passed since the date on which the first application was filed. If a number of applications have been made prior to the one submitted to Ofinase, priority shall be granted on the basis of the first filing only.
- (b) In order to benefit from the right of priority, the breeder shall, in the application filed in the country, claim the priority of the first application. The applicant shall enjoy a period of three months, from the filing date of the application in the country, to furnish a copy of the documents which constitute the first application,

certified to be a true copy by the authority with which that application was filed, and samples or any other evidence that the variety which is the subject matter of both applications is the same.

- (c) The breeder shall be allowed a period of two years after the expiration of the period of priority or, where the first application is rejected or withdrawn, up to six months after such rejection or withdrawal, in which to furnish Ofinase with any necessary information, document or material required for the purpose of the examination under Article 8 of this Law.

ARTICLE 11. Grant of the breeder's right

Once the application for the grant of the breeder's right has satisfied all the requirements, Ofinase shall enter it in the Register of Protected Varieties and shall grant the plant breeder's certificate.

CHAPTER III CONDITIONS OF PROTECTION

ARTICLE 12. Conditions

The breeder's right shall be granted to the breeders of varieties of plants which are new, distinct, uniform and stable and have obtained denominations established in accordance with the provisions of this Law and the Regulations thereunder.

The applicant shall satisfy the formalities provided for in this Law and shall pay the corresponding service costs to Ofinase.

The grant of the breeder's right may not be dependent on conditions additional to or different from those mentioned.

ARTICLE 13. Novelty

A variety shall be deemed to be new if the material of the variety has not been sold or otherwise lawfully disposed of to third parties by the breeder or its successor in title, or with its consent, for purposes of commercial exploitation of the variety:

- (a) in the national territory, more than one year prior to the application filing date;
- (b) abroad, more than four years – more than six years for trees and vines – prior to the application being filed.

ARTICLE 14. Distinctness

A variety shall be deemed to be distinct if it is clearly distinguishable from any other variety whose existence, at the application filing date, is a matter of common knowledge, in accordance with the definition established in Article 4 of this Law.

ARTICLE 15. Uniformity

A variety shall be deemed to be uniform if, subject to the variation that may be expected from the particular features of its propagation, it is sufficiently uniform in its relevant characteristics.

ARTICLE 16. Stability

A variety shall be deemed to be stable if its relevant characteristics remain unchanged after repeated propagation or, where the breeder has defined a particular cycle of propagation, at the end of each such cycle.

ARTICLE 17. Variety denomination

- (a) The variety included in a protection application shall be designated by a single denomination which allows it to be identified without risk of confusion. Ofinase shall ensure that, subject to paragraph (d) of this Article, no rights in the designation registered as the denomination of the variety shall hamper the free use of the denomination in connection with the variety, even after the breeder's right has expired.
- (b) The denomination may not consist solely of figures unless this is an established practice for designating varieties. It must not be liable to mislead or to cause confusion concerning the characteristics, value or identity of the variety or identity of the breeder. In particular, it must be different from every other denomination which designates, in the territory of any member of the International Union for the Protection of New Varieties of Plants (UPOV), an existing variety of the same species or of a closely related species, in accordance with the requirements and characteristics established by the regulations.
- (c) The denomination of the variety shall be submitted by the breeder to Ofinase. If it is found that the denomination does not satisfy the requirements of paragraph (b) of this Article, Ofinase shall refuse to register it and shall require the breeder to propose another denomination within a prescribed period.
The denomination shall be registered by Ofinase at the same time as the breeder's right is granted.
- (d) Prior rights of third persons shall not be affected. If, by reason of a prior right, the use of the denomination of a variety is forbidden to a person who, in accordance with the provisions of paragraph (g) of this Article, is obliged to use it, Ofinase shall require the breeder to submit another denomination for the variety filed as subject matter of applications for the grant of a breeder's right.
- (e) A variety may be filed as subject matter of applications for the grant of a breeder's right to different members of UPOV only under the same denomination. Ofinase shall register the denomination so submitted, unless it considers the denomination unsuitable in Costa Rica. In the latter case, it shall require the breeder to submit another denomination.
- (f) Ofinase shall ensure that the authorities of the other members of UPOV are informed of matters concerning variety denominations, in particular the submission, registration and cancellation of denominations. An authority from any UPOV member may address its observations, if any, on the registration of a denomination to Ofinase.

- (g) Any person who, in Costa Rica, offers for sale or markets propagating material of a variety protected within Costa Rica shall be obliged to use the denomination of that variety, even after the expiration of the breeder's right in that variety, except where, in accordance with the provisions of paragraph (d) of this Article, prior rights prevent such use.
- (h) When a variety is offered for sale or marketed, it shall be permitted to associate a trade mark, trade name or other similar indication with a registered variety denomination. If such an indication is so associated, the denomination shall nevertheless be easily recognizable.

CHAPTER IV RIGHTS AND OBLIGATIONS OF THE BREEDER

ARTICLE 18. Rights of the breeder

- (a) Subject to the provisions of Articles 21, 22 and 23 of this Law, the right owner's authorization shall be required for the propagation, production, conditioning for those purposes, offer for sale, sale or any other form of commercialization, export or import and possession, for the purposes of any of the above acts, of the seed of the protected variety.
- (b) Acts mentioned in paragraph (a) of this Article in respect of the harvested material, including whole plants and parts of plants obtained through the unauthorized use of the seed of the protected variety, shall require authorization of the holder of the breeder's right, unless the holder has had reasonable opportunity to exercise his right in relation to the seed concerned.
- (c) The provisions of paragraphs (a) and (b) shall also apply to:
 - (1) varieties which are not clearly distinguishable from the protected variety, in accordance with Article 14 of this Law.
 - (2) varieties essentially derived from the protected variety, where this is not in turn an essentially derived variety.
 - (3) varieties whose production requires the repeated use of the protected variety.

ARTICLE 19. Duration of the breeder's right

The breeder's right shall be valid for 20 years, except for varieties of perennial species, in which case it shall be 25 years. In all cases, the duration shall be computed from the date of grant of the breeder's right.

ARTICLE 20. Transfer of the right

The breeder's right shall be transferable *inter vivos* and *mortis causa*; the new owner shall have the same duties and rights as its predecessor during the remaining term of protection.

ARTICLE 21. Exhaustion of the breeder's right

- (a) The exercise of the breeder's right shall be exhausted where the material of the protected variety has been commercialized by the title holder or with its consent, except where it is intended for further seed production, or an export, which allows propagation, to a country that does not protect the varieties of the plant genus or species to which the variety belongs, except where the exported material is for final consumption purposes.
- (b) For the purposes of paragraph (a) of this Article, "material" means, in relation to a variety:
 - (1) propagating material of any kind;
 - (2) harvested material, including whole plants and parts of plants;
 - (3) any product made directly from the harvested material.

ARTICLE 22. Exceptions to the breeder's right

The breeder's right shall not be extended where third parties use the protected variety, involving acts:

- (a) done privately for non-commercial, non-profit-making purposes.
- (b) done for experimental, scientific research or educational purposes.
- (c) done in order to create new varieties, as well as acts referred to in paragraphs (a) and (b) of Article 18 of this Law done with such varieties, except where the provisions of paragraph (c) of Article 18 apply.

ARTICLE 23. Exception to the breeder's right for farmers

Those who, within reasonable limits and subject to the safeguarding of the legitimate interests of the breeder, store and sow on their own holdings harvested material which they have obtained by planting, on their own holdings, a protected variety or a variety covered by paragraph (c) of Article 18 of this Law shall not infringe the breeder's right. Fruit-bearing, ornamental and forest species shall be excluded from this provision where they are planted for commercial ends.

ARTICLE 24. Maintenance of the right

In order to maintain protection in force, a breeder's right owner shall, during the term of protection, conserve the genetic material corresponding to the protected variety or, where appropriate, its hereditary components, and pay an annual fee to Ofinase.

Ofinase may request a plant breeder's right owner to submit, within the terms established by the Regulations under this Law: information, documents, samples or material considered necessary for verifying its appropriate maintenance.

ARTICLE 25. Lapse of the right

The breeder's right shall lapse owing to the following:

- (a) expiry of the term.
- (b) relinquishing of the title by the owner by means of a written statement addressed to Ofinase.

ARTICLE 26. Nullity of the right

- (a) Any person demonstrating a legitimate interest may file an application with Ofinase for a declaration of nullity.
- (b) Ofinase shall declare the breeder's right null and void if the following is established:
 - (1) the variety was not new or distinct on the application filing date or, where applicable, on the date established in the priority right;
 - (2) the variety was not uniform or stable, when the breeder's right was granted, according to the information and documents supplied by the applicant;
 - (3) the breeder's right was granted to a person that had no right thereto.
- (c) The breeder's right declared null and void shall be deemed not to have been granted.

ARTICLE 27. Cancellation of the right

- (a) Ofinase shall cancel the breeder's right in the following cases:
 - (1) if it is established that the right owner has not satisfied the obligation to maintain the variety during the term of protection or that the variety is no longer uniform or stable.
 - (2) if the title owner does not respond to the request to supply information, documents or the propagating material considered necessary for verifying the maintenance of the variety.
 - (3) if, after Ofinase requests a change in the denomination of the variety, the title owner does not propose another appropriate denomination within the period granted.
 - (4) where the breeder has not paid the annual public fee defined by the Regulations under this Law, subject to written notification.
- (b) Cancellation may be declared only after the title owner is given notice to meet its obligation within a maximum six-month period from that notice.
- (c) The cancellation shall be recorded in the Register of Protected Varieties and shall be communicated by means of publication on a one-off basis in the official journal *la Gaceta* (the Gazette) and a national newspaper.

ARTICLE 28. Contractual licenses

The owner of a plant breeder's right may grant to third parties, on an exclusive or non-exclusive basis, a license covering all or part of the breeder's rights. In order for these operating licenses to take effect in relation to third parties, they shall be entered in the Register of Protected Varieties.

ARTICLE 29. Compulsory licenses

Where qualified reasons of public interest so require, the Executive Authority may at any time limit by decree the breeder's right through a compulsory license, including without its owner's agreement, so that the right is exploited by a State entity or by Government-authorized third parties. The owner of the right covered by the compulsory license shall be notified.

The conditions for the grant of compulsory licenses, together with the breeder's right to receive equitable remuneration, shall be defined by the Regulations under this Law.

CHAPTER V PHYSICAL AND ECONOMIC RESOURCES

ARTICLE 30. Resources

- (a) The financing of the system of registration of protected varieties shall be covered by the funds generated from the payment for services provided and the financial contributions received from the State in the form of ordinary and extraordinary national budgets. These funds shall be deposited in an account of Ofinase opened with any bank in the National Banking System and its administration shall be under the supervision of the National Comptroller General.
- (b) For the implementation of this Law, the State shall provide Ofinase with infrastructure and basic equipment, as well as the requisite facilities. Similarly, it shall be authorized to hire staff and specialized services which shall be financed through the resources generated by the application of this Law.
- (c) For the purposes of this Law, State institutions shall be authorized to donate or transfer from their assets to Ofinase any type of movable or immovable property on completion of the procedures established in national legislation to these ends.
- (d) Ofinase shall be authorized to receive any type of donations, either in the form of cash or movable or immovable property from the State or Costa Rican public institutions as well as from governments with which cooperation agreements have been concluded.

ARTICLE 31. Costs of the service

Ofinase shall be authorized to set the appropriate public fees for the provision of the following services:

- (a) processing and settlement of plant protection title applications.
- (b) priority claims.
- (c) conduct of the technical examination for varieties included in applications.
- (d) the grant of plant protection titles.
- (e) annual maintenance of breeder's rights in force.
- (f) registration of exploitation licenses;
- (g) provision of administrative services.

The value of services shall be fixed according to the costs determined locally, applying the principle of “cost service”, with the corresponding adjustments made in accordance with the parameters set in other countries with which Costa Rica has concluded relevant reciprocal agreements.

CHAPTER VI ENFORCEMENT OF THE BREEDER’S RIGHT

ARTICLE 32. Sphere of application

The infringement of any right protected by this Law shall give rise to actions, complaints or administrative charges being brought before Ofinase and the judicial action specified in this Law being taken, without prejudice to other legal provisions.

A breeder’s rights title shall always be authorized expressly and in writing.

ARTICLE 33. Interpretation

In a judicial or administrative investigation of potential infringements of the rights laid down and protected by this Law, the competent judge or Ofinase, respectively, shall in each particular case use good judgment, the principles of scientific observation and verification, and the principles of reasonableness, rationality and good faith.

In any administrative proceedings brought before Ofinase and in any court case, the competent authority shall, in applying the final sanction, take into account the proportionality between the illegal action and the harm caused to the protected legal property.

CHAPTER VII PROVISIONAL MEASURES

Section I General provisions

ARTICLE 34. Adoption of precautionary measures

Before instigating proceedings in respect of an infringement of a breeder’s right, as well as during the proceedings and in the execution phase, the competent judicial authority or Ofinase, as appropriate, shall adopt suitable and adequate precautionary measures to avoid serious harm which is difficult to compensate being done to the title owner, and also to guarantee temporarily the effectiveness of the final act or judgment.

A precautionary measure shall be applied only if the party requesting it is proven to be the title owner or title owner’s representative. The judicial authority or Ofinase shall require the party requesting the measure to provide an adequate guarantee before the measure is applied, in order to protect the alleged offender and prevent abuse.

ARTICLE 35. Proportionality of the measure

Any decision in response to an application for precautionary measures shall consider the interests of third parties, the proportionality of the effects of the measure and the harm or prejudice that the measure may cause.

ARTICLE 36. Measures

- (a) The following precautionary measures may be ordered, *inter alia*:
- (b) Immediate cessation of the acts constituting the infringement.
- (c) Seizure of the counterfeit or illegal varieties.
- (d) Suspension of customs clearance for the varieties referred to in paragraph (c) above.
- (e) Pledge by the alleged offender of a security or other adequate guarantee.

ARTICLE 37. Procedure

Within 48 hours from the submission of the request for precautionary measures, the judicial authority or Ofinase shall invite the parties to a hearing in order for them to state their case with respect to the request within three working days. After this time, Ofinase or the competent court shall, in those three days and whether or not it receives a reply, make the appropriate decision regarding precautionary measures. The decision reached by Ofinase or the judicial authority shall be implemented without delay. The effects of the application of the measures shall not be suspended by the lodging of an appeal.

In cases where a meeting between the parties could render the effects of the measures invalid, the judicial authority or Ofinase shall take the appropriate decision regarding the request for precautionary measures within 48 hours of its submission.

ARTICLE 38. Precautionary measures not involving the alleged offender

Where a precautionary measure is enforced without the other party's first having been heard, Ofinase or the competent judicial authority shall notify the affected party within three working days of implementation. The affected party may appeal the measure applied.

ARTICLE 39. Time period for the submission of a complaint or request

If the precautionary measure is requested before the institution of court proceedings and is granted, the party instigating the proceedings shall bring the court action within one month from notification that the measure has been granted. If the action is not brought in time or it is determined that no plant breeder's right has been infringed, the precautionary measure shall be deemed to be revoked and the requesting party liable for harm and prejudice caused; these shall be settled in accordance with the procedure for the enforcement of judgments.

ARTICLE 40. Harm and prejudice

If the court action is not brought in time, or if the precautionary measure is revoked or loses its force for any other reason, a party claiming entitlement to compensation for harm and prejudice caused in the enforcement of the measure shall apply for that compensation within one month from the party that is familiar with the substance of the case. If this request is not

made within the aforementioned period or the party is not granted the breeder's right, that party shall be ordered to return the security that was pledged against harm and prejudice.

If the circumstances given in the paragraph above apply in a case where the precautionary measure was set in place by an administrative decision, the affected party shall have to go to court to apply for compensation for harm and prejudice caused through the application of the measure.

Section II

Border measures

ARTICLE 41. Application of border measures

When a precautionary measure has to be applied at the point of customs clearance of counterfeit or illegal plant varieties, the administrative decision by Ofinase or the court decision ordering the measure shall be communicated to the customs authorities and the requesting party without delay.

ARTICLE 42. Requests for border measures

If a breeder's right owner has well founded information regarding the arrival or dispatch of goods that infringe that right, that title owner may apply to Ofinase or to the judicial authority, which will order the customs authorities to suspend clearance.

The following, at least, shall be required of any owner of a protected plant breeder's right, or representative thereof, requesting the suspension of customs clearance for varieties:

- (a) To prove itself a plant breeder's right owner or right owner's representative.
- (b) To provide a reasonable sum as guarantee before any ruling is given, in order to protect the alleged offender and avoid abuse.
- (c) To supply information on and a description of the plant variety that is as detailed as possible so as to enable the customs authorities to identify it easily.

Once customs clearance for the merchandise has been suspended, Ofinase or the judicial authorities shall immediately notify the importer or exporter regarding the plant varieties in question and shall immediately notify the applicant that the measure has been taken.

ARTICLE 43. Cases in which border measures may not be applied

It shall not be compulsory to apply the border measures set out in this Chapter in the following circumstances:

- (a) Where plant varieties are imported and brought onto the national market by the right owner or with the right owner's consent, or where they are imported by parties authorized by the State or in accordance with national laws, as long as they were brought into or taken out of the country legitimately by the right owner or a representative thereof.

ARTICLE 44. Inspection

Once the customs authorities have suspended customs clearance for the plant varieties, Ofinase or the judicial authority shall allow the right owner or right owner's representative to inspect the plant varieties, solely in order to confirm its claims. On allowing the inspection and if it is appropriate, the customs authority shall have access to the resources needed to protect any right of undisclosed information (commercial or industrial secrets).

If Ofinase or the judicial authority confirms an infringement, and if the right owner or right owner's representative requests it, the customs authorities shall report the name and address of the consignor, importer or exporter and consignee of the goods, along with the quantity and description of the suspected goods.

ARTICLE 45. Destruction and confiscation of plant varieties

In passing a decision authorizing the destruction of plant varieties, the judicial authority shall consider the interests of third parties and whether the measure ordered is proportionate to the seriousness of the infringement. The final decision of the judicial authority may require the customs authorities to destroy or eliminate the counterfeit or illegal varieties.

The customs authorities shall not permit the counterfeit or illegal varieties to be re-exported in the same State, nor shall they submit them to any particular customs procedure, until the competent judicial authority has ruled on where they are to be sent and whether they are to be destroyed.

ARTICLE 46. Wrongful confiscation

Where plant varieties have been wrongfully confiscated, the judicial authorities shall, in principle, require the claimant to pay for the harm and prejudice caused to the importer, consignor and owner of the varieties; the payment of this sum shall constitute enforcement of the judgment.

ARTICLE 47. Implementation of border measures

Border measures shall be implemented at control points, border quarantine stations, ports, airports and warehouses belonging to the Office of the Attorney General, through which plant breeds enter and leave national territory.

ARTICLE 48. Inspections

Authorized officials may take action in accordance with Costa Rican laws to guarantee full respect for plant varieties; to this end, natural persons and legal entities involved in transporting plant varieties, once identified by such an official, shall cooperate with and facilitate the inspections conducted by inspectors thus accredited.

Section III
Administrative procedures relating to plant varieties

ARTICLE 49. Standards concerning administrative procedures

The provisions of this Law and the Regulations thereunder shall constitute the administrative procedures which relate to plant varieties.

ARTICLE 50. Appeals against Ofinase decisions

Applications to have decisions made by Ofinase overturned may be made before the body that passed the decision in question and, at appeal, to the Minister of Agriculture and Livestock.

Section IV
Civil proceedings

ARTICLE 51. Precautionary measures in civil proceedings

Without prejudice to the provisions of book I, title IV of the Code of Civil Procedure, in a case concerning the protection of the rights of plant breeder's title owners, the judge may adopt the precautionary measures set out in this Law.

ARTICLE 52. Civil proceedings

The claims of plant breeder's title owners shall be considered and decided by means of the abridged proceedings laid down in book II, title II of the Code of Civil Procedure.

Cases concerning unfair competition shall be subject to summary judgment under Article 17 of Law No. 7472 on the Promotion of Competition and Effective Defense of Consumers, December 20, 1994.

ARTICLE 53. Evidence under the control of the opposing party

During abridged proceedings or, in unfair competition cases, during summary proceedings, where one party has specified evidence relevant to substantiation of its claims which lies under the control of the opposing party, the judge shall be authorized to require the opposing party to produce this evidence. If this is done, the evidence shall be produced on condition that the protection of undisclosed information be guaranteed.

ARTICLE 54. Criteria for determining levels of harm and prejudice

The harm and prejudice caused by civil violations of this Law shall be determined by the judge, preferably on the basis of an expert ruling. In the absence of an expert ruling their value shall be no less than the corresponding value of a basic wage as established in Article 2 of Law No. 7337 of May 5, 1993.

In any case, and without prejudice to that established minimum, the benefits that the owner would have obtained if the violation had not occurred, the benefits obtained by the

infringer and the price, remuneration or reward that the infringer would have had to pay to the owner for lawful use of the rights infringed shall be taken into consideration in the final ruling on the case.

ARTICLE 55. Seizure and destruction of plant varieties as a civil penalty

At the request of one party or the State, the judicial authority may, either as an interlocutory injunction or as a sentence, order the seizure of the counterfeit or illegal varieties that are the subject of the claim; their destruction may be ordered only as part of a sentence.

In force from the time of its publication.

THE LEGISLATIVE ASSEMBLY – approved on February 28, 2008.

Sent to the Executive Authority

Francisco Antonio Pacheco Fernández
PRESIDENT

Xinia Nicolás Alvarado
FIRST SECRETARY

Guyon Massey Mora
SECOND SECRETARY

Done at the Office of the President of the Republic, San José, March 6, 2008

To be executed and published

ÓSCAR ARIAS SÁNCHEZ.–Javier Flores Galarza, Minister of Agriculture and Livestock.–1 copy.–(Application No. 41480-MAG).–C-422620.–(L8631-25280).

[Annex III follows/
L'annexe III suit/
Anlage III folgt/
Sigue el Anexo III]

ANNEX III / ANNEXE III / ANLAGE III / ANEXO III

[In English only / En anglais seulement /
Nur auf Englisch / En Inglés solamente]

REPUBLIC OF COSTA RICA

MOTION FOR THE AMENDMENT OF ARTICLES 2, 3 AND 8 OF THE LAW 8631 ON
PROTECTION OF NEW VARIETIES OF PLANTS IN THE CONTEXT OF THE
DRAFT LAW ON AMENDMENTS AND ADDITIONS OF VARIOUS NORMS
REGULATING INTELLECTUAL PROPERTY RELATED MATTERS
(FILE 16.955)

**LEGISLATIVE ASSEMBLY
REPUBLIC OF COSTA RICA**

MOTION

Re.: File 16.955. Amendments and Additions of Various Norms Regulating Intellectual Property-Related Matters.

A NUMBER OF DEPUTIES:

SUBMIT THE FOLLOWING MOTION: To add a new article to the draft Law under discussion, to read as follows:

ARTICLE 7.

Article 2, first paragraph and Articles 3 and 8(b) of the Law on the Protection of New Varieties of Plants, No. 8631 of March 6, 2008, shall be amended to read hereafter as follows:

“ARTICLE 2. Sphere of application

The sphere of application of this Law shall extend to the varieties of all plant genera and species.

[...]”

“ARTICLE 3. National interest

The activity of creating varieties by natural persons and legal entities, public or private, shall be declared to be in the national interest on account of the benefits derived therefrom for national development and agricultural competitiveness.”

“ARTICLE 8. *Technical examination*

[...]

(b) By means of examination reports drawn up by other competent authorities or by specialist bodies in the framework of international cooperation. Such bodies shall act independently and shall safeguard the legitimate interests of the breeder. OFINASE shall take the necessary measures to this end.

[...]”

[SIGNATURES]

[Annex IV follows/
L'annexe IV suit/
Anlage IV folgt/
Sigue el Anexo IV]

ANNEX IV / ANNEXE IV / ANLAGE IV / ANEXO IV

[In English only / En anglais seulement /
Nur auf Englisch / En Inglés solamente]

Letter from the Government of Costa Rica dated April 2, 2008

From: The Minister of Agriculture and Livestock

To: Dr. Kamil Idris, Secretary General, International Union for the Protection of New Varieties of Plants (UPOV), 34, Chemin des Colombettes, CH-1211 Geneva 20

Dear Secretary General,

I hereby wish to inform you of the way in which Article 14(1)(b) of the 1991 Act of the UPOV Convention is implemented in Costa Rican legislation. The cited Convention norm states that “***The breeder may make his authorization subject to conditions and limitations***”. This provision applies through various existing standards and principles established in the laws of Costa Rica.

Firstly, the basis that should be used is that the Political Constitution of Costa Rica protects private property through Article 45, and specifically intellectual property rights in Article 47. These are the constitutional foundations for the establishment of any intellectual property system in Costa Rica.

In addition, Article 28 of the Political Constitution states that any citizen shall have complete freedom to do anything that is NOT prohibited. In turn, the provisions contained in Book IV, Chapter I of the Civil Code refer to the principle of contractual freedom. Similarly, Article 1022 of the Civil Code of Costa Rica states that “***contracts shall have the force of law between the contracting parties***”.

It is clear from the aforementioned standards that the breeder may dispose of his title on an exclusive basis and may make his authorization to carry out any of the activities, permitted through the rights of breeders in relation to his plant variety, subject to limitations and conditions by contractual means.

In conclusion, although the provision of the Convention Article is not expressly incorporated in the text submitted for consideration by the UPOV Council, the provision is applicable by means of Article 28 of the Constitution and the norms of the Civil Code.

I await a response on the opinion regarding Law 8631 on Protection of New Varieties of Plants.

Yours sincerely,

Javier Flores Galarza
MINISTER OF AGRICULTURE AND LIVESTOCK

[End of Annex IV and of document/
Fin de l'annexe IV et du document/
Ende der Anlage IV und des Dokuments/
Fin del Anexo IV y del documento]

