Disclaimer: unless otherwise agreed by the Council of UPOV, only documents that have been adopted by the Council of UPOV and that have not been superseded can represent UPOV policies or guidance.

This document has been scanned from a paper copy and may have some discrepancies from the original document.

———

Avertissement: sauf si le Conseil de l'UPOV en décide autrement, seuls les documents adoptés par le Conseil de l'UPOV n'ayant pas été remplacés peuvent représenter les principes ou les orientations de l'UPOV.

Ce document a été numérisé à partir d'une copie papier et peut contenir des différences avec le document original.

———

Allgemeiner Haftungsausschluß: Sofern nicht anders vom Rat der UPOV vereinbart, geben nur Dokumente, die vom Rat der UPOV angenommen und nicht ersetzt wurden, Grundsätze oder eine Anleitung der UPOV wieder.

Dieses Dokument wurde von einer Papierkopie gescannt und könnte Abweichungen vom Originaldokument aufweisen.

———

Descargo de responsabilidad: salvo que el Consejo de la UPOV decida de otro modo, solo se considerarán documentos de políticas u orientaciones de la UPOV los que hayan sido aprobados por el Consejo de la UPOV y no hayan sido reemplazados.

Este documento ha sido escaneado a partir de una copia en papel y puede que existan divergencias en relación con el documento original.

C/XX/9
ORIGINAL: French
DATE: September 2, 1986

UPOV

INTERNATIONAL UNION FOR THE PROTECTION OF NEW VARIETIES OF PLANTS

GENEVA

COUNCIL

Twentieth Ordinary Session
Paris, December 2, 1986

REPORT ON THE PROGRESS OF THE WORK OF THE ADMINISTRATIVE AND LEGAL COMMITTEE

prepared by the Office of the Union

Meetings of the Committee and of its Subgroup

1. Between the nineteenth ordinary session of the Council and the date of this document, the Administrative and Legal Committee (hereinafter referred to as "the Committee") held two sessions: the sixteenth, on November 14 and 15, 1985, and the seventeenth, on April 16 and 17, 1986.

2. The Committee will be holding its eighteenth session on November 18 and 19, 1986. A supplementary report will be submitted to that session.

3. The Biotechnology Subgroup of the Committee (hereinafter referred to as "the Subgroup") was scheduled to hold a meeting in Washington DC., United States of America, from March 12 to 14, 1986. That meeting had to be cancelled. It was replaced by a meeting of the Subgroup in Geneva on April 14, 1986.

Other Meetings

4. The work of the Committee and of the Subgroup has been affected by work undertaken in other meetings, that is to say, in chronological order:

(i) the second meeting with international organizations, held on October 15 and 16, 1985 (i.e. the two days preceding the nineteenth ordinary session of the Council);

(ii) the UPOV/WIPO information meeting on biotechnology and intellectual property protection, held on January 10, 1986;

(iii) the second session of the WIPO Committee of Experts on Biotechnological Inventions and Industrial Property, held from February 3 to 7, 1986;

(iv) the thirty-third session of the UPOV Consultative Committee, held on April 15, 1986;

(v) the information meeting with international organizations on variety denominations, held on April 18, 1986.

Summary of the Work

5. As a general rule, the work of the Committee has constituted a follow-up to the debates at the second meeting with international organizations; the work on biotechnology also formed part of a separate UPOV project, although it was affected by activities undertaken by other organizations or together with those organizations (see particularly subparagraphs (ii) and (iii) of the preceding paragraph).

6. It should also be noted that, at its thirty-third session, the Consultative Committee decided, on a proposal by the delegation of the Federal Republic of Germany, to enter on the agenda for its subsequent session an item permitting views to be exchanged on the means of making substantive improvements to the Convention. The work of the seventeenth session of the Committee therefore took place against the background of a conceivable revision of the Convention.

7. Work was basically of a legal nature and concerned the following main questions:

(i) application of the Convention to botanical genera and species;

(ii) scope of protection;

(iii) minimum distances between varieties;

(iv) variety denominations;

(v) biotechnology and plant variety protection.

Application of the Convention to Botanical Genera and Species

8. This matter, basically related to Article 4 of the Convention, was discussed in depth at the sixteenth session.

9. The Committee first noted the general remarks made by the organizations at the second meeting with international organizations. Those organizations voiced their strong support for extension of protection to the greatest possible number of botanical genera and species (including new species created by man). Reference was made in that respect to:

(i) the need to give breeders the possibility of innovating, which was also profitable to agriculture and horticulture;

(ii) the need to afford protection also to breeders working in isolation on a minor species;

(iii) distortion of competition as a result of the lack of protection in a member State and the inadequate scope of protection afforded in a further member State: this could result in a flow of trade being established from the first country towards the second country in respect of the final product (particularly cut flowers) which avoided the protection given in the second State.

10. The Committee then discussed whether member States should be recommended to extend protection to all botanical genera and species. Various delegations considered that it was neither necessary nor possible to go as far. According to those delegations, the maintaining of restrictive lists of protected genera and species was not incompatible with the aim of offering protection to all "important" genera and species and also those lists were bound up with the possibilities of carrying out examinations and, for that reason, with the quality of protection that was afforded.

11. The Committee therefore decided to continue with the UPOV Recommendations on the Harmonization of the Lists of Protected Species, of which a draft had been submitted for information to the nineteenth ordinary session of the Council and for discussion to the second meeting with international organizations. The draft annexed to this document is now submitted to the Council for adoption.

12. Following up a suggestion made at the second meeting with international organizations, the Committee invited the Office of the Union to consult the organizations on those species to which they would like each member State to extend protection as a priority. The replies will be submitted to the Committee at its eighteenth session, in November 1986.

13. Following correspondence between the Federal Office of Plant Varieties of the Federal Republic of Germany and the European Patent Office, and additional observations made by the Office of the Union, the Committee further examined the demarcation of the fields of application of plant breeders' rights and of patents, particularly as regards higher edible fungi and plant cell cultures. It is pointed out in that respect that the UPOV Convention "may be applied to all botanical genera and species" (Article 4(1)) and that numerous patent laws and relevant international conventions exclude plant varieties, etc. from patentability while maintaining an exception in favor of microbiological processes and their products.

14. In the case of higher edible fungi, the Committee went along with the view expressed by the Office of the Union that the UPOV Convention was applicable to them without any possible contestation: they constituted botanical genera and species whose varieties (known as "strains") were materialized by propagating material (the mycelium) and were used particularly in agricultural holdings.

15. The matter of cell culture would seem to belong rather to Article 5 of the Convention, that is to say the scope of protection, while at the same time largely influenced by patent law, particularly by the uncertainty prevailing in that field (specifically on the question of whether cell cultures can be assimilated to microorganisms). The Committee therefore went no further than to take note of the comments of the Office of the Union, simply emphasizing that the cell culture that served in a micropropagation process to produce whole plants had to be considered propagating material within the meaning of Article 5(1) of the Convention.

Scope of Protection

16. At its seventeenth session, the Committee held a general debate on this matter. Discussions concerned the various possibilities for harmonizing and increasing the level of protection afforded to breeders (revision of Article 5 of the Convention, special agreement under Article 29 of the Convention, recommendation by the Council of UPOV) and on protection of the final product. The conclusion reached was that the recommendation solution would have to be used in the short term, without however excluding amendment of Article 5 of the Convention in the longer term. On that basis, the Committee requested the Office of the Union to draw up, for its eighteenth session, a document containing a summary of the various situations to be examined and a study of the possibility of making recommendations on the question.

Minimum Distances between Varieties

17. At the second meeting with international organizations, one of the participants pleaded in favor of decisions on the grant of a title of protection based on a balance between similarities and differences. The main argument was that the current system, under which protection was granted as soon as a clear difference in at least one important characteristic had been observed, favored both infringers and plagiarist breeders. That proposal in fact opened up again the debate on the question of minimum distances between varieties, particularly as regards the concepts of "clearly distinguishable" and "important characteristic" to be found in Article 6(1)(a) and the concept of "propagating material... of the variety" to be found in Article 5(1) of the Convention.

18. At its sixteenth session, the Committee noted both that proposal and a number of others of a subsidiary nature or of lesser importance. It requested the Office of the Union to draw up for its eighteenth session a document setting out the problem and summarizing the criticism that had been expressed, for example by the professional organizations. The Committee considered that UPOV should have available a document setting out the legal and scientific facts which provided the basis for its working method.

Variety Denominations

19. The dissatisfaction of the breeders' organizations with the UPOV Recommendations on Variety Denominations adopted by the Council at its eighteenth ordinary session opened up discussions on that matter once again. An information meeting, in particular, had been organized on April 18, 1986, as already mentioned in paragraph 4(v) above. The principle of the meeting had been accepted by the Consultative Committee at its thirty-second session, in October 1985, and had been announced at the second meeting with international organizations.

20. The Committee held a discussion at its seventeenth session in order to prepare for the information meeting. It may be noted that during those discussions the representative of the European Communities explained that the Communities had not laid down detailed regulations concerning the coining of variety denominations. In the case of the catalogues of varieties licensed for sale, it was the national laws, based on the UPOV rules, that were applicable. The Communities played an important role in the fields of seed and competition and they had been satisfied so far with UPOV's harmonizing effect under Article 13 of the Convention and its interpretative texts. However, it was

obvious that if that effect should disappear, the Communities would probably be obliged to assure the succession.

21. The Committee will evaluate the results of the information meeting at its eighteenth session and will, probably, put in hand the revision of the Recommendations.

Biotechnology and Plant Variety Protection

22. The sixteenth session of the Committee was devoted to the drafting of a document for the UPOV/WIPO meeting on January 10, 1986 (published under reference INF/11). The document was to set out, as decided by the Council at its nineteenth session, the advantages of the plant breeders' rights system. This document constituted the counterpart, as a basis for discussion in respect of the field of competence of UPOV, to the document BioT/CE/II/2 drawn up by the International Bureau of WIPO and also replied indirectly to the main conclusions drawn by that document in respect of plant varieties, formulated in the following way:

> "13. As explained in Part IV (Chapter C, paragraphs 82 to 119), certain national laws do not permit the patenting of plant varieties, animal varieties and essentially biological processes for the production of plants or animals. As explained in the said Chapter, such an exclusion is no longer justified. All biotechnological inventions should be eligible for patent protection, and patents should be granted therefor, provided that the normal requirements of patentability are fulfilled, namely the requirements of novelty, inventive step, industrial applicability and sufficient disclosure. An inventor who can describe his invention in a manner that constitutes a sufficient disclosure should therefore be able to obtain a patent. As regards plant varieties and animal varieties, however, there may be many cases where an inventor cannot sufficiently describe his invention. It is this inability that should be the reason for not granting a patent; thus, a provision of the law excluding plant varieties and animal varieties from being patented goes too far because it excludes inventions from being patented even if the inventor furnishes a full disclosure."

23. The Subgroup devoted most of its meeting to a detailed examination of a working paper drawn up by the Office of the Union under the title "Outline of the Intellectual Property Protection of Biotechnological Inventions and their Results." It also noted a document entitled "The Scientific and Technical Background of Plant Breeding" (that document, however, was not yet completed).

24. At the end of the meeting of the Subgroup, it was proposed that the Subgroup be requested to draw up a document as a basis for the future decisions of the Council, dealing with the following matters (the additions agreed by the Committee are underlined):

(i) present situation of intellectual property protection in the field of biology;

(ii) reasons for the creation of a special protection system for new plant varieties;

(iii) main elements of patent law and plant variety protection law, main differences between the two systems, possibilities of application of general patent law to plant varieties, to plants and to parts of plants and problems raised by such application;

(iv) possible consequences of new technology in the field of biology on the basic principles of the various protection systems;

(v) problems raised in particular by organizations in respect of protection in the field of biology;

(vi) possible solutions to those problems.

25. As emerges from the preceding paragraph, the Committee adopted these new terms of reference at its seventeenth session. The drafting of the document was entrusted initially to the Office of the Union.

26. The delegation of the Federal Republic of Germany, that had originally proposed the new terms of reference, announced at the session that, once the Subgroup had submitted its conclusions on the basis of the new terms of reference, it might have to be enlarged so as to function like the former UPOV Committee of Experts on the Interpretation and Revision of the Convention.

27. Also at its seventeenth session, the Committee noted the outcome of discussions at the second meeting with international organizations, at the UPOV/WIPO information meeting on January 10, 1986, and at the second session of the WIPO Committee of Experts on Biotechnological Inventions and Industrial Property.

28. In the case of the first two meetings, the Office of the Union had drawn up a summary of the various opinions expressed and had drawn conclusions with respect to the future work of UPOV in general and the Administrative and Legal Committee in particular. Apart from the matters that are already under examination or are scheduled for examination, future work should concern the definition of dependency relationships between inventions (including plant varieties) and between titles of protection. To be more exact, the following actions should be undertaken:

(i) reopen discussion on Article 5(3) of the Convention, both as regards its principle and its applicability, to ascertain whether it should be confirmed or amended;

(ii) examine how a patent acts in respect of Article 5(3) of the Convention (can plants that comprise special characteristics and are covered by a patent be used as a source of variation in plant breeding work?);

(iii) perhaps examine whether possible protection of genes should not be provided within the UPOV framework.

29. In respect of the session of the WIPO Committee of Experts, the Office of the Union had simply made reference to the report on that session given in document BioT/CE/II/3. The Committee noted that according to paragraph 64 of that report "with the exception of the Delegations of Ireland and of Japan and the representatives of several non-governmental organizations, which expressed themselves in favor of patent protection for all biotechnological inventions without exception, all other government delegations which spoke on this matter said that the time was not yet ripe for taking a decision on the question of

abolishing the exclusion of plant varieties, as well as the exclusion of animal varieties and essentially biological processes, from patenting."

30. Finally, the Committee further held an exchange of views at its seventeenth session on:

(i) the in re Hibberd decision of the US Board of Patent Appeals and Interferences--the highest administrative jurisdiction in respect of patents--of the United States Patent and Trademark Office;

(ii) the communication of the Swiss Federal Intellectual Property Office concerning examination guidelines for patent applications in the field of biotechnology.

31. The background to the in re Hibberd decision was a patent application for "tryptophan overproducer mutants of cereal crops." Briefly, the Board's decision enables plants to be patented under the General (Utility) Patent Code even if they could be protected under the Plant Patent Law or the Plant Variety Protection Act. The practice of the Patent and Trademark Office had conformed to that decision. The latter is nevertheless subject to revision by the judicial authorities, in particular if an action for infringement of the patent should be brought before it. The representative of the United States of America stated his opinion that the decision was in conformity with the UPOV Convention since the United States of America had taken advantage of Article 37 of the Convention when depositing its instrument of acceptance. The Committee held that the decision did not constitute a precedent automatically applicable in other countries since the United States of America was the only country to which Article 37 applied.

32. The communication by the Swiss Federal Intellectual Property Office contained, in particular, an interpretation of the legal provision that excluded plant and animal varieties and essentially biological processes for the production of plants and animals, with the exception of microbiological processes or the products thereof, from patentability. The interpretation was based on the principle that any exception to a general rule must be interpreted restrictively. It was pointed out during the exchange of views that the interpretation of legal texts was also based on other far more important principles, such as that of good faith, which implied the search for what the legislator had really wished to say, or that of the useful effect, which presumed that the legislator had wished to establish rules that were operational in practice.

33. Basing itself on that principle of restrictive interpretation of the exceptions, the Federal Office had therefore decided to accept henceforth, amongst other things, product claims in respect of whole plants or their propagating material, in which, however, no plant variety was specified. A number of participants at the seventeenth session of the Committee expressed their concern at what appeared to be a circumventing of that provision by simply amending the terminology.

34. More generally, it was pointed out that in some respects the communication went beyond the intentions of the legislator as set out in the Message of the Federal Council to the Federal Assembly in respect of three patent treaties and of the revision of the Patent Law (dated March 24, 1976). However, it had to be borne in mind that the communication simply described the new directives given to patent examiners and was not of a legislative nature. Nevertheless, it could not be denied that it had indirect effects. It gave rise to hopes on the part of inventors who filed patent applications, but those hopes might be shown to be unjustified since the patents granted could be subsequently

invalidated by the courts. In addition, the text could be quoted and used as a principle in doctrine.

Miscellaneous

35. Term of Protection.- At its sixteenth session, the Committee took note of a motion adopted by ASSINSEL requesting that the term of protection be extended to 30 years for trees, vines, potatoes and parent lines used in the production of hybrids and to 25 years for all other varieties and species. The Committee invited the member States to take into account that motion when reviewing national legislation. It was observed, however, that the motion would be difficult to apply in the case of varieties of wheat which were also used as a component of a hybrid.

36. Examination Fees.- Likewise at its sixteenth session, the Committee took note of a motion adopted by ASSINSEL appealing to the governments to reduce considerably the fees for official variety tests of small species.

37. At that same session, the delegation of France expressed its concern, already made public at the nineteenth ordinary session of the Council, in respect of the administrative fee of 350 Swiss frances charged where an existing report was taken over by another member State since it was sometimes higher than the examination fee charged in some States and therefore represented an obstacle to cooperation. A number of other delegations felt that it would be difficult to reduce the fee since it in fact corresponded to effective administrative work.

38. Decision of the Commission of the European Communities of December 13, 1985, Relating to a Proceeding under Article 85 of the EEC Treaty (IV/30,017--Breeders' Rights: Roses).- The decision was commented in detail by the EC representative at the seventeenth session of the Committee. The decision concerned the validity, in respect of Article 85 of the Treaty Establishing the European Economic Community (Treaty of Rome), of the following clauses in a licensing contract concerning plant varieties:

(i) clauses requiring that all mutations occurring in the licensee's plantation be surrendered to the licensor and setting out the conditions governing exploitation of such mutations;

(ii) clauses requiring that the licensee should not challenge the validity of applications and plant breeders' certificates on which the license was based.

The following should be noted: the clauses have been found to be contrary to Article 85 of the Treaty of Rome; the decision has become final since none of the parties involved has appealed; the decision has been invalidated in part, as respects the obligation not to challenge, by a subsequent decision of the Court of Justice of the European Communities; the decision may be interpreted as an invitation to explore the solution of joint breeding in the case of mutant varieties since the Commission had held an exclusive right in favor of the breeder of the initial variety to constitute a rupture of equilibrium that was contrary to competition law.

Program of Future Work

39. The program of the eighteenth session of the Committee has been outlined above. As things stand, the program for subsequent sessions will basically

depend on progress achieved by the Committee at its above-mentioned session and on the decisions subsequently taken by the Consultative Committee at its thirty-fourth session and the Council at its present session.

40. The Council is requested:

(i) to take note of the work carried out by the Committee and its Subgroup and the results obtained by those two bodies;

(ii) to adopt the UPOV Recommendations on the Harmonization of the Lists of Protected Species given at annex to this report;

(iii) to take the necessary decisions for the future work of the Committee.

[Annex follows]

ANNEX

DRAFT
UPOV RECOMMENDATIONS
ON THE HARMONIZATION OF THE LISTS OF PROTECTED SPECIES

The Council of the International Union for the Protection of New Varieties of Plants,

Considering that Article 4(1) of the International Convention for the Protection of New Varieties of Plants provides that the Convention may be applied to all botanical genera and species;

Considering that the member States have undertaken under Article 4(2) of the Convention to adopt all measures necessary for the progressive application of the provisions of the Convention to the largest possible number of botanical genera and species;

Considering further that Article 7(1) of the Convention requires that protection be granted after examination of the variety in the light of the criteria defined in Article 6 and that such examination is to be appropriate to each botanical genus or species;

Referring to the statement noted with approval by the Council at its tenth ordinary session in 1976 that "it is clear that it is the responsibility of the member State to ensure that the examination required by Article 7(1) of the UPOV Convention includes a growing test and the authorities in the present UPOV States [in 1976] normally conduct these tests themselves";

Taking into account the fact that the main obstacle to the application of the Convention in the member States to the largest possible member of botanical genera and species is the limitation on the economic and technical and on the scientific possibilities of carrying out variety examination;

Referring to the fact that Article 30(2) of the Convention specifically sets out the possibility of the competent authorities of the member States concluding special contracts with a view to the joint utilization of the services of the authorities entrusted with the examination of varieties in accordance with the provisions of Article 7 and with assembling the necessary reference collections and documents;

Noting with satisfaction that the member States have already made extensive use of that possibility, both in order to keep the cost of protection for new plant varieties at the lowest possible level and also to extend their lists of protected species;

Convinced that further progress can be achieved in this field and that such progress is also called for to maintain or even improve the effectiveness of new plant variety protection as a tool in the development of agriculture and the safeguarding of breeders' interests;

Recommends the member States of the Union:

(a) to extend protection to every genus or species for which the following conditions are met:

(i) The genus or species is the subject of plant breeding work, or it is expected that the extension of protection will be an incentive for such work to be undertaken; or there is a real or potential market in the member State of the Union concerned for reproductive or vegetative propagating material of varieties from that genus or species;

(ii) Examination facilities are existing or will be set up for the genus or species, either in the member State of the Union concerned or in another member State which offers its services for examination pursuant to the provisions of Article 30(2) of the Convention.

(b) to offer their services to the other member States for the examination of varieties, particularly in those cases in which the other States participating in the cooperation system do not yet protect the genus or species concerned, by means of concerted action to concentrate examination of the varieties at an optimum number of the authorities concerned;

(c) to inform the other member States as early as possible of their intentions to extend protection to a given genus or species, giving sufficient details, and to offer the services of their authorities for the examination of varieties of such genus or species to enable the other States, as appropriate, to put in hand the procedures required by their legislation for an extension of the same kind.

[End of document]