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LINKS BETWEEN A HYBRID VARIETY AND ITS COMPONENTS
FROM THE POINT OF VIEW OF NOVELTY

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1. At the fortieth session of the Committee, the Delegation of France made the following statement:

“The Delegation of France pointed out that one of the aims of the 1991 revision had been to settle the issue of the novelty of lines contained in the formula of a hybrid, but that certain States at the Diplomatic Conference had wished for a provision that would enable the variety to be used prior to the filing of an application for protection under a system that implied neither sale nor furnishing to third parties of propagating material or harvested material. It would seem that the wording of Article 6(1) of the 1991 Act did not permit the conclusion – perhaps not in all cases – that a line lost its novelty through the marketing of a hybrid derived from it. In the view of the Delegation of France, it had become essential to have a clear interpretation of Article 6(1).”

2. The matter had also been raised, in the following terms, by the International Association of Plant Breeders for the Protection of Plant Varieties (ASSINSEL) in a letter addressed to the Secretary-General of UPOV on 12 October 1999:

“According to the UPOV Convention, and that is also the consistent interpretation given by the plant variety protection offices, a hybrid is represented by itself and not by its components or the formula that associates them. In order to facilitate examination, in certain countries, the breeders make the parent lines available to the office. But they do so on a confidential basis. There are therefore no grounds, under the UPOV Convention, for the argument that the sale of a hybrid destroys the novelty of its parent lines. The criterion

for defining the novelty of the parent lines should be exactly the same as for all other varieties. The UPOV Convention, legally speaking, does not define different types of variety.

Moreover, ASSINSEL considers that the use of components for the purpose of producing seed or their supply to third parties under licensing agreements for production does not constitute an offer for sale or marketing and does not destroy novelty.

Various quarters also claim that the seed of a hybrid represents the “harvested product of the parent line [variety]”.

- That interpretation obviously does not apply to the male parent.
- However, it does not apply to the female parent either since, if the product harvested from the female parent line is sown, the offspring will not be the female parent line itself. Therefore, such an interpretation (that a hybrid is the harvested product of the parent line) is not compatible with the definition of variety: considered as an entity with regard to its capability of being reproduced in conformity.

Consequently, the fact that a hybrid has been produced and sold should have no effect on the novelty of its parent lines.”

3. Similar observations have been made by the Association of Plant Breeders of the European Community (COMASSO) in a letter addressed to the President of the Community Plant Variety Office (CPVO), with a copy to the Office of the Union, on 12 October 1999.

4. We may observe that Article 6(1) of the 1991 Act of the UPOV Convention reads as follows:

“(1) [*Criteria*] The variety shall be deemed to be new if, at the date of filing of the application for a breeder’s right, propagating or harvested material of the variety has not been sold or otherwise disposed of to others, by or with the consent of the breeder, for purposes of exploitation of the variety

(i) in the territory of the Contracting Party in which the application has been filed earlier than one year before that date and

(ii) in a territory other than that of the Contracting Party in which the application has been filed earlier than four years or, in the case of trees or of vines, earlier than six years before the said date.”

5. The matter of the novelty of lines comprised in the formula of a hybrid is a subject of the following commentary in the UPOV Model Law:

“Special case of varieties whose production requires the repeated use of one or more other varieties

“6.6 This case can be illustrated by the production of hybrid seed.. Such seed is “propagating material” of the hybrid variety concerned. At the same time it can be the “harvested material” of the lines used for the hybrid formula or may be considered such; in the case of an F₁ hybrid, for example, the seeds are taken from the female line while the male line has been grown only to pollinate the female line for the purpose of obtaining seeds. It is the view in some countries that the sale or transfer of hybrid seed to third

parties for the purposes of exploiting the hybrid variety is a relevant act for the evaluation of the novelty of the lines used in the formula of the hybrid.

6.7 If this point needs to be developed further, the following provisions can be inserted into the national law:

“(3) Where the production a variety requires the repeated use of one or more other varieties, the sale or transfer to third parties of the propagating material or the harvested material of that variety shall be relevant to the novelty of the other variety or varieties.”

6. A certain number of States have expressly provided (or intend to provide) that commercial exploitation of a variety requiring the repeated use of another variety for its production destroys the novelty of the other variety (as in the Guide to the 1997 Plant Varieties Act of the United Kingdom and concern the provisions having the same effect as the provision proposed in the Model Law).

7. The same machinery is provided in Article 10(2) of Council Regulation No. 2100/94 on Community Plant Variety Rights:

“2. The disposal of variety constituents to an official body for statutory purposes, or to others on the basis of a contractual or other legal relationship solely for production, reproduction, multiplication, conditioning or storage, shall not be deemed to be a disposal to others within the meaning of paragraph 1, provided that the breeder preserves the exclusive right of disposal of these and other variety constituents, and no further disposal is made. However, such disposal of variety constituents shall be deemed to be a disposal in terms of paragraph 1 if those constituents are repeatedly used in the production of a hybrid variety and if there is disposal of variety constituents or harvested material of the hybrid variety.”

8. Other States, such as Germany, have reproduced the wording of Article 6(1) of the Convention, without adding further details.

9. An examination of the preparatory work for the revision of the Convention and the Records of the Diplomatic Conference do not enable a clear cut conclusion to be reached:

(a) The original aim had been to strengthen the novelty requirement. For example, the commentary on the proposed text (proposed for the first time) at the twenty-second session of the Committee in April 1999 in document CAJ/XXII/2:

“5. Commercial novelty (paragraph (1)(b)). -The proposals are as follows:

“(i) Replace the words ‘offered for sale or marketed’ by ‘commercially exploited’. The reason is that certain varieties may be exploited on a large scale without there being an offer for sale or marketing *stricto sensu*. An example that has already been considered and has led to a judicial decision in France is that of inbred lines used in the production of hybrid seed.”

(b) The final wording was adopted at the twenty-seventh session of the Committee in June 1990. These are the relevant four paragraphs from the session report:

“40. Five separate questions were examined on the basis of the Draft and of the proposals submitted during the session by the Delegations of the Federal Republic of Germany, the Netherlands and Switzerland and by the Office of the Union.

41. The first question was whether novelty was to be assessed by reference to commercial exploitation (as in the Draft) or to the sale or to any other act of making available certain material to others (solution recommended by the Delegation of the Federal Republic of Germany). That latter solution was chosen by the Committee. No conclusions were drawn as to whether an offer for sale was also to be taken into consideration.

[...]

46. The text adopted by the Committee was therefore based on the following reasoning:

‘The variety shall be deemed new if the reproductive or propagating material of the variety, the harvested material or the product directly obtained from harvested material has not been sold or otherwise made available to others by the breeder or with his consent ...’

“47. The Committee took cognizance of document CAJ/27/6. The Delegation of France commented that if a hybrid was represented by its components and the formula associating them, then the sale or making available to third parties of hybrid seed should be equivalent to sale or making available to third parties of the components. Moreover, it interpreted the wording chosen by the Committee for Article 8(3) as meaning that the making available of seed of a component to third parties for the purposes of producing hybrid seed was liable to affect the novelty of that component, whatever the nature of the contract.”

(c) The thinking according to which exploitation within the framework of industrial secrecy should not be prejudicial to novelty was expressed at the Diplomatic Conference by the Delegation of Germany with regard to a proposal to replace the words “propagating material” by the formulation “plants or parts of plants that may be used for the production of plants of the variety”.

“340.3 The idea behind the proposal was that a step should be taken to come closer to patent law. If someone invented a machine, but did not immediately seek a patent and first used it in his own plant in a fully closed room in order to manufacture given products, that is to say he kept it secret, he could indeed sell those products manufactured by means of the machine without the fact of using the machine in his own plant being prejudicial to novelty in the event of a subsequent application.”

(d) The following contrary opinions were expressed:

“342.1 M. HIJMANS (Netherlands), commenting ...

342.2 Concerning the kind of material the marketing of which should be detrimental to novelty, there were now three propositions. There were good reasons to oppose the proposal of the Delegation of Germany: the marketing of harvested material should also destroy novelty, since some kinds of harvested material could also be used as propagating material. In addition, the comparison with patent law was not relevant because of the difference in the concept of novelty. In the plant breeder’s rights system, the marketing itself was the relevant criterion.”

[...]

“366.1 Miss BUSTIN (France) said that her Delegation was opposed to the amendment for the same reasons as the Delegation of the Netherlands. She was comforted in her view that the novelty requirement should not be restricted to such an extent since she had heard the representative of a professional organization asking that elements be introduced into Article 6 that concerned not novelty, but non-disclosure. If the requirements of non-commercialization set out in Article 6(1) were reduced too far by exempting breeders from compliance with those requirements on the grounds that, in some cases, the commercial act carried out had not implied the disclosure of the variety, one would be opening the door to an extremely serious confusion with a neighboring right from the field of industrial property.

366.2 The Delegation of France wished to maintain the thinking behind the adoption of the novelty criterion in 1961. Any breeder who derived profits from the exploitation of his variety before submitting an application or outside the period of grace afforded to him should not be entitled to obtain protection, on the grounds that his variety had lost its novelty.”

[...]

“372.1 M. HOINKES (United States of America) agreed with the previous speakers concerning the deferral of the final decision on this Article until the outcome of the decisions on Article 14 was known. Concerning the question of linking, to some degree, novelty to the products directly obtained from harvested material of the variety concerned, his Delegation had some sympathy with, for instance, the proposal of the Delegation of Sweden or, for that matter, with the proposal of the Delegation of Germany.

372.2 However, as far as it could eliminate the possibility of destroying novelty with respect to certain varieties, specifically inbreds, the latter proposal may go beyond good public policy. In his Delegation’s opinion, if an inbred was being kept secret and only the harvested material from that inbred was made available in a form of a hybrid, then it would seem rather unfair that after a number of years of exploitation, when there was a danger that that inbred may become known, the breeder should go to a plant variety protection office and obtain a further twenty or more years of protection. The protection of plant varieties should be more even-handed and, therefore, there should be no possibility of obtaining additional protection for certain varieties that were not obtainable on a routine basis. As a consequence, his Delegation had great difficulties with the proposal of the Delegation of Germany.”

10. The proposal by the Delegation of Germany was therefore finally rejected. However, that rejection had no major implication for the interpretation that must be given to the notion of sale or other disposal to third parties for the purposes of exploitation of *the* variety that is the subject of an application for protection, of propagating material or of harvested material of *that* variety.

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