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INTERNATIONAL UNION FOR THE PROTECTION OF NEW VARIETIES OF PLANTS
GENEVA

ADMINISTRATIVE AND LEGAL COMMITTEE

Thirty-Sixth Session
Geneva, October 21, 1996

AGREEMENT ON TRADE-RELATED ASPECTS OF INTELLECTUAL
PROPERTY RIGHTS ("TRIPS AGREEMENT")
AND PLANT VARIETY PROTECTION

Document prepared by the Office of the Union

1. At its fifty-first session, the Consultative Committee discussed the subject of the TRIPS Agreement and the protection of plant varieties on the basis of document CC/51/3, which dealt in its Part I with the question whether a *sui generis* form of plant variety protection was a form of "intellectual property" as defined in Article 1.2 of the TRIPS Agreement. A number of delegates requested that this question be examined in greater depth in the Administrative and Legal Committee (hereinafter referred to as "the Committee"). Part I of document CC/51/3 is set out in Annex I to this document for this purpose.
2. The basic question addressed by Part I of document CC/51/3 is whether the TRIPS Agreement does or does not create obligations for member States of UPOV which may call for adjustments to their existing laws which conform with the UPOV Convention. Opinions are divided on this question. Some delegations have suggested that the TRIPS Agreement does not create obligations in relation to *sui generis* systems of plant variety protection, while others have taken a contrary position.
3. If no such obligations are created it would seem that Article 63.2 of the TRIPS Agreement, which calls for Members of the World Trade Organization (WTO) to notify laws and regulations relating to "intellectual property rights," would not apply to *sui generis* systems of plant variety protection. In consequence, there would be no obligation to notify laws relating to such systems.

4. Similarly, Article 4 of the TRIPS Agreement, which requires Members of the WTO to accord most-favored-nation treatment to other Members of WTO, would not apply to *sui generis* systems of plant variety protection. It would, in consequence, be unnecessary for member States of UPOV to seek to take advantage of the exemptions from the provisions of Article 4 in respect of

“any advantage, favour, privilege or immunity accorded by a Member [of WTO]:

[...]

(d) deriving from international agreements related to the protection of intellectual property which entered into force prior to the entry into force [on January 1, 1995] of the WTO Agreement, provided that such agreements are notified to the Council for TRIPS and do not constitute an arbitrary or unjustifiable discrimination against nationals of other Members.”

5. The obligation to notify intellectual property laws and regulations to the Council for TRIPS took partial effect for developed country members of WTO on January 31, 1996. It is accordingly of interest to know which developed country member States of UPOV have [or, by implication, have not] notified their *sui generis* plant variety protection law to the Council for TRIPS. It is similarly of interest to know which member States of UPOV have thought it necessary to notify and justify a (possible) departure from most-favored-nation treatment on the basis of their being party to the 1978 Act of the UPOV Convention (which allows member States to make the access of the nationals of other UPOV member States to protection subject to reciprocity). These notifications would seem to be relevant to the position of member States as to whether the TRIPS Agreement does or does not create obligations in relation to *sui generis* systems of plant variety protection.

6. The member States of UPOV which have notified their laws under Article 63.2 or given notice under Article 4 of the TRIPS Agreement by August 31, 1996, are listed in Annex II to this document.

7. An argument has been advanced concerning the impact of the TRIPS Agreement upon laws conforming with the 1978 Act of the UPOV Convention which was not referred to in document CC/51/3. The first sentence of Article 1.3 of the TRIPS Agreement provides that “Members [of WTO] shall accord the treatment provided for in this Agreement to the nationals of other Members.” It has been suggested that since Article 27.3(b) calls for the provision of protection of plant varieties “either by patents or by an effective *sui generis* system or by any combination thereof,” Members of WTO are obligated to provide plant variety protection for nationals of other Members of WTO irrespective of the position as to whether *sui generis* systems are or are not a form of intellectual property protection for the purposes of the TRIPS Agreement, and quite independently from the provisions of Article 3 (national treatment) or Article 4 (most-favored-nation treatment).

8. *The Committee is invited to note the information contained in Annex II and to consider the questions proposed in this document.*

[Annex I follows]

EXTRACT FROM DOCUMENT CC/51/3

[...]

Is a *sui generis* Form of Plant Variety Protection a Form of Intellectual Property (as Defined in the TRIPS Agreement)?

4. Part I of the TRIPS Agreement contains General Provisions and Basic Principles and in Paragraph 2 of its Article 1 establishes that the expression *intellectual property* for the purposes of the Agreement refers *to all categories of intellectual property that are the subject of Sections 1 through 7 of Part II [of the Agreement]*. The subjects of Sections 1 to 7 of Part II are, respectively, copyright and related rights, trademarks, geographical indications, industrial designs, patents, layout-designs (topographies) of integrated circuits, and the protection of undisclosed information. There is no section dealing with plant variety protection.

5. Section 5 of the Agreement relates to patents. Its Article 27, paragraph 1, provides that *... patents shall be available for any inventions, whether products or processes, in all fields of technology ...* However, paragraph 3 of Article 27 provides that Members of the WTO *may ... exclude from patentability:*

“(a) ...

“(b) plants and animals other than microorganisms, and essentially biological processes for the production of plants or animals other than non-biological and microbiological processes. However, Members shall provide for the protection of plant varieties either by patents or by an effective *sui generis* system or by any combination thereof. The provisions of this subparagraph shall be reviewed four years after the date of entry into force of the WTO Agreement.”

6. The question arises whether the requirement, in the Section relating to patents, for “the protection of plant varieties either by patents or by an effective *sui generis* system or by any combination thereof” causes any such *sui generis* system to fall within “all categories of intellectual property that are the subject of Sections 1 to 7 of Part II,” that is to say within the definition of intellectual property of Article 1?

7. It can, on the one hand, be stated that the objective of the TRIPS Agreement is primarily to deal with the categories of intellectual property to which each section in Part II is devoted; wherever appropriate, there are references to relevant international intellectual property treaties while references to the UPOV Convention are conspicuous by their absence. On the other hand, it might be thought to be anomalous for the TRIPS Agreement to establish a standard (“the requirement of an effective *sui generis* system” relating to the protection of plant varieties) but not to regard the protection of plant varieties as a form of intellectual property for the purposes of the Agreement so as to fall within the General provisions and Basic Principles of Part I, and the provisions of Parts III to VI, of the Agreement.

8. Discussion in the thirty-fourth session of the Administrative and Legal Committee revealed disparate views amongst UPOV member States on the above-mentioned question. The following arguments were advanced by delegations that did not consider that *sui generis* systems were a form of intellectual property for the purposes of the TRIPS Agreement.

(a) Plant variety protection was a form of intellectual property but the TRIPS Agreement did not concern itself with all aspects of intellectual property (see Article 1(2)).

(b) Plant variety protection was not mentioned as a sector in which the TRIPS Agreement created obligations. Plant variety protection was only mentioned incidentally in Article 27(3)(b).

(c) The TRIPS Agreement assumed the existence of *sui generis* systems of plant variety protection (all such systems in the world conforming or being deemed to conform or substantially to conform with the UPOV system) but did not govern plant variety protection.

(d) Article 27 concerns patent protection. *Sui generis* systems of plant variety protection are only mentioned incidentally as an exception to a rule concerning exceptions to patentability.

(e) Article 3 of the TRIPS Agreement established the general rule concerning national treatment. It created exceptions to the rule for provisions of intellectual property conventions which departed from the rule. No exception was made in respect of the UPOV Convention which also has a provision in relation to national treatment differing from the TRIPS provision.

(f) The process of negotiation and the structure of the TRIPS Agreement suggested that its provisions did not apply to *sui generis* systems of plant variety protection.

9. In support of the notion that plant variety protection did fall within the definition of intellectual property for the purpose of the TRIPS Agreement, it was noted by one delegation that where plant varieties were protected by patent, all general and enforcement provisions of the TRIPS Agreement were fully applicable; it was anomalous for a State to be able to escape all general and enforcement obligations of the TRIPS Agreement in relation to plant varieties simply by choosing the *sui generis* form of protection.

10. It may in addition be noted that

(a) Article 27(3)(b) permits States to protect plant varieties by any combination of patent or plant variety protection; in States which permit protection by patent for certain species (usually for species where plant variety protection is not available), the TRIPS Agreement would apply to some species but not to others.

(b) Although the reference to a *sui generis* system of protection takes the form of an exception to the rule requiring patents to be granted in all fields of technology, the substantive effect of Article 27(3)(b) is to create an important independent obligation. For many States, it will involve the creation of a completely new form of intellectual property protection. This

runs counter to the suggestion that the TRIPS Agreement does not create obligations in the field of plant varieties.

(c) Part I, General Provisions and Basic Principles, Part III, Enforcement of Intellectual Property Rights, Part IV, Acquisition and Maintenance of Intellectual Property Rights and Related Inter-Parties Procedures, Part V, Dispute Prevention and Settlement, can all quite appropriately be applied to *sui generis* systems of plant variety protection, if such systems are deemed to be a form of intellectual property for the purposes of the TRIPS Agreement. Indeed, it could be argued that these provisions should be applied since they now embody generally accepted minimum standards relevant to all intellectual property rights.

(d) The precise literal application of the definition of intellectual property contained in Article 1 of the TRIPS Agreement (“..., the term *intellectual property* refers to all categories of intellectual property that are the subject of Sections 1 through 7 of Part II”) in all places where the expression *intellectual property* appears on the basis that *sui generis* systems of plant variety protection are not a “subject of Section 5” would seem to have the following results:

(i) Article 3, National Treatment would not be applicable to such *sui generis* systems;

(ii) Article 4, Most-favored National Treatment would not be applicable;

(iii) Paragraph 1 of Article 8, dealing with measures necessary to protect public health and nutrition, could be applicable.

(iv) Section 8, Control of Anti-Competitive Practice in Contractual Licenses, and Parts III, Enforcement of Intellectual Property Rights, and Part IV, Acquisition and Maintenance of Intellectual Property Rights, would not be applicable.

(v) Article 63, Transparency, which provides for the publication of laws and regulations and their notifications to the TRIPS Council, would not be applicable.

(vi) Article 64 concerning “Dispute Settlement” could be applicable.

(vii) Article 65 (apart from paragraph 4 concerning product patents) concerning transitional arrangements would be applicable.

(viii) The first sentence of Article 67, which is concerned with technical cooperation with developing and least-developed country members, would be applicable.

(ix) Part of the first sentence of Article 68 (“The Council for TRIPS shall monitor the operations of this Agreement and, in particular, members compliance with their obligations thereunder ...”) would be applicable.

(x) Paragraphs 1, 2 (in part), 3 and 4 of Article 70 which concerns the protection of existing subject matter would be applicable.

11. It may be thought anomalous that the TRIPS Council should be given an obligation to monitor the provisions of protection for plant varieties under Article 68 but should be in part deprived from the means of doing so as a result of the above strict interpretation of the language of Article 63. It should, however, be noted that the Council for TRIPS in establishing the administrative arrangements for notification of intellectual property laws to the WTO has assumed that the obligation to notify under Article 63 does extend to laws which provide a *sui generis* form of protection for plant varieties. It should also be noted that in establishing its agreement for cooperation with WIPO, WTO has requested that WIPO participate in the notification of laws relating to *sui generis* systems for the protection of plant varieties.

12. Article 4 requires WTO members to grant most favored nation treatment to other WTO members so far as intellectual property is concerned. Exempted from this obligation is treatment accorded by a member to nationals of another member "... deriving from international agreements related to the protection of *intellectual property* (emphasis added) which entered into force prior to the entry into force of the WTO Agreement, provided that such agreements are notified to the Council for TRIPS" A number of UPOV member States have notified their plant variety protection systems to the Council for TRIPS for the purposes of Article 4. They presumably take the view that the expression "intellectual property," at least for the purposes of Article 4, includes their *sui generis* system of plant variety protection.

13. The comments contained in paragraphs 3 to 12 will be of interest to member States which are considering whether their national plant variety protection laws should or should not be modified so as to conform with Parts I and III to VII of the TRIPS Agreement. It is recognized that the question can only be resolved by the procedures of the WTO.

[...]

[Annex II follows]

ANNEX II

NOTIFICATIONS TO WTO
(as of August 31, 1996)

UPOV member States which have notified plant variety protection laws under Article 63.2 of the TRIPS Agreement	UPOV member States which have notified the UPOV Convention under Article 4(d) of the TRIPS Agreement
Australia	
Austria	
Czech Republic	Czech Republic
Denmark	Denmark
Finland	
France	France
Germany	Germany
Ireland	
Italy	Italy
Japan	
New Zealand	
Norway	Norway
Spain	
South Africa	
Sweden	Sweden
Switzerland	Switzerland
United Kingdom	
United States of America	
(18)	(8)

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