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**ADMINISTRATIVE AND LEGAL COMMITTEE
ADVISORY GROUP**

**Fifth Session
Geneva, October 18, 2010**

MATTERS ARISING AFTER THE GRANT OF A BREEDER'S RIGHT

Document prepared by the Office of the Union

1. The purpose of this document is to present possible ways to proceed in relation to matters arising after the grant of the breeder's right reported in documents CAJ/61/8 and CAJ/61/8 Add. The different matters arising after the grant of the breeder's right that have been identified from previous discussions at the Administrative and Legal Committee (CAJ) and at the Administrative and Legal Committee Advisory Group (CAJ-AG) have been grouped according to different subjects. It is proposed that the CAJ-AG, at its fifth session to be held in Geneva on October 18, 2010, considers whether these matters have already been considered in UPOV documents, in particular in explanatory notes to the UPOV Convention and/or whether further guidance is required.

Introduction

2. At its forty-fourth session, held in Geneva from April 7 to 9, 2008, the Technical Committee (TC) noted that, during its discussions on document TGP/11 "Examining Stability" at its forty-first session, held in Nairobi, from June 11 to 15, 2007, the Technical Working Party for Vegetables (TWV) had proposed the possible development of a document to provide guidance on matters concerning distinctness, uniformity, stability and novelty which are brought to the attention of an authority after the grant of a breeder's right and the status and use of the "official" variety description. The TC agreed that the view of the CAJ should be sought with regard to whether it would be appropriate to pursue those proposals (see document TC/44/13 "Report", paragraph 118).

3. At its fifty-eighth session, held in Geneva on October 27 and 28, 2008, the CAJ considered document TGP/11/1 Draft 5 “Examining Stability”, in conjunction with document CAJ/58/2 “TGP documents”. Document CAJ/58/2, paragraphs 7 and 8 explained the following:

“7. At its forty-fourth session, the TC noted the TWV proposal for the possible development of a document to provide guidance on matters concerning distinctness, uniformity, stability and novelty which are brought to the attention of an authority after the grant of a breeder’s right and the status and use of the “official” variety description (see document TC/44/3, paragraph 17). The TC also noted the comments of the TC-EDC that there would be practical advantages in dealing with all aspects of stability in a single document and the proposal of the TC-EDC that the TC, in conjunction with the CAJ, might consider an amendment to the title of TGP/11, with the document being clearly separated into two parts:

“Part I: Examining Stability (Article 12 “Examination of the Application”, of the 1991 Act of the UPOV Convention)

“Part II: Stability after the grant of a breeder’s right (Article 22(1) “Cancellation of the Breeder’s Right”, of the 1991 Act of the UPOV Convention)

“8. The TC agreed that the view of the CAJ should be sought with regard to whether it would be appropriate to pursue those proposals.”

4. The CAJ agreed that document TGP/11 should consider only the examination of stability in the context of the DUS examination and that a separate document should be developed to provide guidance on matters concerning distinctness, uniformity, stability and novelty that are brought to the attention of an authority after the grant of a breeder’s right (see document CAJ/58/6 “Report on the Conclusions”, paragraph 11).

5. At its forty-fifth session, held in Geneva from March 30 to April 1, 2009, the TC took note of the discussions at the CAJ at its fifty-eighth session and agreed to propose to the CAJ that, within its approach for the preparation of information materials concerning the UPOV Convention, a document be developed to provide guidance on matters concerning distinctness, uniformity, stability and novelty that are brought to the attention of an authority after the grant of a breeder’s right (see document TC/45/16, “Report”, paragraph 106).

6. At its fifty-ninth session, held in Geneva on April 2, 2009, the CAJ agreed to include in the draft agenda of its sixtieth session the item “Matters arising after the grant of the breeder’s right”, in order to consider the development of a document to provide guidance on matters concerning distinctness, uniformity, stability and novelty that are brought to the attention of an authority after the grant of a breeder’s right (see document CAJ/59/8 “Report”, paragraph 78).

7. At its sixtieth session, held in Geneva on October 19, 2009, the CAJ considered document CAJ/60/8, in which the following examples, which had been provided to the Office of the Union, were presented:

“8. [...]

a) Matters concerning distinctness

Example:

- After the grant of the breeder’s right, a claim is made that the protected variety was not distinct from a variety whose existence was a matter of common knowledge at the time of the filing of the application.

b) Matters concerning stability

Example:

- Due to stability or maintenance problems, the material of a “protected variety” is no longer clearly distinguishable from another variety whose existence was a matter of common knowledge at the time of the filing of the application.
- A claim from a grower that the propagating material provided by the breeder is not of the protected variety.

c) Variety description

“9. Amongst the issues that might arise is the practical matter of determining whether propagating material is of a protected variety by the use of living plant material and/or plant variety descriptions in variety collections, according to the nature of the variety collection, (see document TGP/4 “Constitution and Maintenance of Variety Collections”).

“10. With regard to variety descriptions, the determination of whether propagating material is of the protected variety can be less straightforward than when living plant material is held in the variety collection. For example, the propagating material may be of the protected variety, but might not correspond to the variety description in the variety collection because of:

- (i) a recalibration of the scale in the test guidelines (particularly for non-asterisked characteristics¹);
- (ii) variation due to the environmental conditions of the years of testing for characteristics that are influenced by the environment;
- (iii) variation due to observation by different experts;
- (iv) the use of different versions of scales (e.g. different versions of the RHS Colour Chart).

“11. As explained in paragraph 8, the above examples have been presented by the Office of the Union for illustration purposes; however, there may be other matters that would be relevant, in particular in relation to matters arising after the grant of the breeder’s right with respect to uniformity and novelty.”

8. At its sixtieth session, the CAJ expressed its support for the development of a document concerning matters arising after the grant of a breeder’s right. The CAJ agreed that the Office

¹ “[I]f a characteristic is important for the international harmonization of variety descriptions (asterisked characteristics) and is influenced by the environment (most quantitative and pseudo-qualitative characteristics) [...] it is necessary to provide example varieties” in the Test Guidelines (see document TGP/7, Annex 3, Guidance Note GN 28 “Example varieties”, section 3.3 (iii)).

“1.2.3 Example varieties are important to adjust the description of the characteristics for the year and location effects, as far as possible. [...]” (see document TGP/7, Annex 3, Guidance Note GN 28 “Example varieties”, section 1.2.3)

of the Union should issue a circular inviting members of the Union to provide examples of matters that might be covered by the document. In the meantime, the CAJ agreed that the Administrative and Legal Committee Advisory Group (CAJ-AG) should be invited to have a first exchange of views on the possible structure and content of such a document, at its fourth session, on October 23, 2009. The CAJ agreed that a report on the responses to the circular and the consideration by the CAJ-AG would be reported to the CAJ at its sixty-first session, to be held in March 2010, in order to determine how best to proceed with the development of a document (see document CAJ/60/11 “Report of the Conclusions”, paragraphs 47 to 55).

9. At its fourth session, the CAJ-AG took note of the conclusions of the CAJ at its sixtieth session. The CAJ-AG agreed that the document on matters arising after the grant of the breeder’s right should cover nullity, cancellation, denomination and exhaustion of the breeder’s right (see document CAJ-AG/09/4/4 “Report”, paragraph 29).

10. On December 23, 2009, the Office of the Union issued Circular E-1168 inviting members and observers of the CAJ to provide examples on matters arising after the grant of the breeder’s right, in particular in relation to nullity, cancellation, variety denomination and exhaustion of the breeder’s right. The deadline for reply was January 31, 2010.

11. At its sixty-first session held in Geneva on March 25, 2010, the Administrative and Legal Committee (CAJ) considered documents CAJ/61/8 and CAJ/61/8 Add., which contained examples on matters arising after the grant of the breeder’s right, in particular in relation to nullity, cancellation, variety denomination and exhaustion of the breeder’s right provided by members of the Union in reply to Circular E-1168. A copy of the replies to Circular E-1168 is provided in the Annex to this document:

- APPENDIX 1 Contribution from Argentina
- APPENDIX 2 Contribution from Brazil
- APPENDIX 3 Contribution from the European Union
- APPENDIX 4 Contribution from Japan
- APPENDIX 5 Contribution from the Netherlands
- APPENDIX 6 Contribution from South Africa
- APPENDIX 7 Contribution from the Russian Federation

12. The CAJ noted the contributions contained in documents CAJ/61/8 and CAJ/61/8 Add. and requested the Office of the Union to prepare a document for consideration by the CAJ-AG, at its fifth session, on possible ways to proceed with matters raised in those contributions.

13. In response to the intervention of the Delegation of Japan concerning essentially derived varieties, the Vice Secretary-General made reference to document CAJ/46/7 “ The Notion of Essentially Derived Varieties in the Breeding of Ornamental Varieties” and Annex III to document CAJ/47/8 “Report” and suggested that those documents be considered by the CAJ-AG at its fifth session.

Matters arising after the grant of the breeder's right

14. From the replies to Circular E-1168 and the discussions at the sixty-first session of the CAJ the following matters have been identified:

(a) *Cancellation of the breeder's right*

15. Cases 1 and 2 of Appendix 1, Section 2) of Appendix 2, Appendices 3 and 5 and the following part of paragraph 8 of document CAJ/60/8:

“b) Matters concerning stability

Example:

- Due to stability or maintenance problems, the material of a “protected variety” is no longer clearly distinguishable from another variety whose existence was a matter of common knowledge at the time of the filing of the application.
- A claim from a grower that the propagating material provided by the breeder is not of the protected variety.”

provided information with respect to cancellation of the breeder's right. Guidance on cancellation of the breeder's right is provided in document UPOV/EXN/CAN/1 “Explanatory Notes on the Cancellation of the Breeder's Right under the UPOV Convention”.

16. The CAJ-AG is invited to consider whether, in relation to the information provided in Cases 1 and 2 of Appendix 1; Section 2) of Appendix 2; Appendices 3 and 5 of the Annex to this document and paragraph 8 b) of document CAJ/60/8, additional guidance beyond that provided in document UPOV/EXN/CAN/1 should be developed.

(b) *Nullity of the breeder's right*

17. Appendix 3 and Section 1 of Appendix 6 of the Annex to this document and the following part of paragraph 8 of document CAJ/60/8:

“a) Matters concerning distinctness

Example:

- after the grant of the breeder's right, a claim is made that the protected variety was not distinct from a variety whose existence was a matter of common knowledge at the time of the filing of the application.”

provided information with respect to nullity of the breeder's right. Guidance on nullity of the breeder's right is provided in document UPOV/EXN/NUL/1 “Explanatory Notes on the Nullity of the Breeder's Right under the UPOV Convention”.

18. The CAJ-AG is invited to consider whether, in relation to the information provided in Appendices 3 and 6 of the Annex to this document and paragraph 8 a) of document CAJ/60/8, guidance beyond that provided in document UPOV/EXN/NUL/1 should be developed.

(c) Variety denomination

19. Section C of Appendix 1 and Section 2 of Appendix 6 of the Annex to this document provided information with respect to variety denominations. Guidance on variety denominations is provided in document UPOV/INF/12/2 “Explanatory Notes on Variety Denomination under the UPOV Convention”.

20. The CAJ-AG is invited to consider whether, in relation to the information provided in Section C of Appendix 1 and Appendix 6 of the Annex to this document, guidance beyond that provided in document UPOV/INF/12/2 should be developed.

(d) Variety description

21. Information with respect to variety description is provided in Cases 3 and 4 of Appendix 1 of the Annex to this document and paragraphs 9 and 10 of document CAJ/60/8, which text follows:

c) Variety description

“9. Amongst the issues that might arise is the practical matter of determining whether propagating material is of a protected variety by the use of living plant material and/or plant variety descriptions in variety collections, according to the nature of the variety collection, (see document TGP/4 “Constitution and Maintenance of Variety Collections”).

“10. With regard to variety descriptions, the determination of whether propagating material is of the protected variety can be less straightforward than when living plant material is held in the variety collection. For example, the propagating material may be of the protected variety, but might not correspond to the variety description in the variety collection because of:

- (i) a recalibration of the scale in the test guidelines (particularly for non-asterisked characteristics²);

² “[I]f a characteristic is important for the international harmonization of variety descriptions (asterisked characteristics) and is influenced by the environment (most quantitative and pseudo-qualitative characteristics) [...] it is necessary to provide example varieties” in the Test Guidelines (see document TGP/7, Annex 3, Guidance Note GN 28 “Example varieties”, section 3.3 (iii)).

“1.2.3 Example varieties are important to adjust the description of the characteristics for the year and location effects, as far as possible. [...]” (see document TGP/7, Annex 3, Guidance Note GN 28 “Example varieties”, section 1.2.3)

- (ii) variation due to the environmental conditions of the years of testing for characteristics that are influenced by the environment;
- (iii) variation due to observation by different experts;
- (iv) the use of different versions of scales (e.g. different versions of the RHS Colour Chart).

Guidance on variety descriptions is provided in documents TG/1/3 “General Introduction to the examination of distinctness, uniformity and stability and the development of harmonized descriptions of new varieties of plants”; TGP/4 “Constitution and maintenance of variety collections”; TGP/7/2 “Development of Test Guidelines” and TGP/9/1 “Examining Distinctness”.

22. The CAJ-AG is invited to consider whether, in relation to the information provided in Cases 3 and 4 of Appendix 1 of the Annex to this document and paragraphs 9 and 10 of document CAJ/60/8, guidance beyond that provided in documents TG/1/3, TGP/4, TGP/7 and TGP/9 should be developed.

(e) Material covered by the breeder’s right

23. Section 1) of Appendix 2 provided information with respect to material covered by the breeder’s right. Guidance on harvested material is under development in document UPOV/EXN/HRV Draft 5 Corr. “Explanatory Notes on Acts in Respect of Harvested Material under the 1991 Act of the UPOV Convention”.

24. The CAJ-AG is invited to consider whether, in relation to the information provided in Section 1) of Appendix 2 of the Annex to this document, guidance beyond that provided in document UPOV/EXN/HRV Draft 5 Corr. should be developed.

(f) Essentially derived varieties

25. Appendix 4 (other matters arising after the grant of the breeder’s right on essentially derived varieties proposed in Appendix 4 are presented in Section (k) *Providing information on varieties covered by the breeder’s right*) provided information with respect to essentially derived varieties. Guidance on essentially derived varieties is provided in document UPOV/EXN/EDV/1 “Explanatory Notes on Essentially Derived Varieties under the 1991 Act of the UPOV Convention”. In considering this matter, the CAJ-AG may take into account that a proposal for the revision of document UPOV/EXN/EDV/1 is proposed for discussion by the CAJ-AG at its fifth session, under agenda item 4 “Explanatory Notes on Essentially Derived Varieties under the 1991 Act of the UPOV Convention (revision)” (document CAJ-AG/10/5/3).

26. The CAJ-AG is invited to note that, in relation to the information provided in

Appendix 4 and in item 3 of Appendix 7 of the Annex to this document, the revision of document UPOV/EXN/EDV/1 will be discussed by the CAJ-AG at its fifth session, under agenda item 4.

(g) Exhaustion of the breeder's right

27. Section (B) of Appendix 1, Appendix 3 and item 4 of Appendix 7 of the Annex to this document provided information with respect to exhaustion of the breeder's right. In considering that item the CAJ-AG may take into account that, "Objectives of the possible development of a document on the exhaustion of the breeder's right under the 1991 Act of the UPOV Convention" (document CAJ-AG/10/5/4) is proposed for discussion by the CAJ-AG at its fifth session, under agenda item 5(a).

28. The CAJ-AG is invited to note that, in relation to the information provided in Section (B) of Appendix 1, Appendix 3 and item 4 of Appendix 7 of the Annex to this document, "objectives of the possible development of a document on the exhaustion of the breeder's right under the 1991 Act of the UPOV Convention", is proposed for discussion by the CAJ-AG at its fifth session, under agenda item 5(a).

(h) Filing of applications

29. Item 1 of Appendix 7 of the Annex to this document provided information on Article 10 of the 1991 Act of the UPOV Convention "Filing of Applications".

30. The CAJ-AG is invited to consider whether, in relation to the information provided in item 1 of Appendix 7 of the Annex to this document, guidance should be developed.

(i) Provisional protection

31. Item 2 of Appendix 7 of the Annex to this document provided information on Article 13 of the 1991 Act of the UPOV Convention "Provisional Protection". Document UPOV/EXN/PRP/1 "Explanatory Notes on Provisional Protection under the UPOV Convention" provides guidance on provisional protection.

32. The CAJ-AG is invited to consider whether, in relation to the information provided in item 2 of Appendix 7 of the Annex to this document, guidance beyond that provided in document UPOV/EXN/PRP/1 should be developed.

(j) Enforcement of the breeder's right

33. The following paragraphs of item 3 of Appendix 7 of the Annex to this document:

“How the breeder may realize his right in respect of the harvested material received as a result of the use of the propagating material unauthorized? On what compensation may the breeder make a claim in this case?”

“How the breeder may enforce more effectively his right when authorizing acts in respect of the propagating material to the third parties?”

“How the license may be issued for acts in respect of the propagating material of the variety for which two or more PBRs are in force?”

“Examples concerning state or public measures in respect of PBR efficiency enforcement should be demonstrated.”

provided information on enforcement of the breeder's right. Document UPOV/EXN/ENF/1 “Explanatory Notes on the Enforcement of Breeders' Rights under the UPOV Convention” provides guidance on enforcement of breeders' rights. The CAJ-AG may note that further guidance on the breeder's authorization is provided in document UPOV/EXN/CAL Draft 3 “Explanatory Notes on Conditions and Limitations Concerning the Breeder's Authorization in Respect of Propagating Material under the UPOV Convention”, which is proposed for adoption by the Council at its forty-fourth ordinary session to be held in Geneva, on October 21, 2010.

34. The CAJ-AG is invited to consider whether, in relation to the information provided in item 3 of Appendix 7 of the Annex to this document, guidance beyond that provided in documents UPOV/EXN/ENF/1 and UPOV/EXN/CAL Draft 3 should be developed.

(k) Providing information on varieties covered by the breeder's right

35. Appendix 4 (other matters arising after the grant of the breeder's right on essentially derived varieties proposed in Appendix 4 are presented in section (f)) and the following paragraphs of item 3 of Appendix 7 of the Annex to this document:

“How the breeder of an original variety may certify his right to a variety essentially derived from his original variety?”

“How the right of a joint owner of the original variety may be certified in the right for the essentially derived variety?”

“How the breeder of a hybrid line / hybrid parent form may certify his right for the hybrid?”

“How the breeder's rights for the hybrid line / hybrid parent form may be certified in the breeder's right for the hybrid?”

“How the breeder may enforce his right for the variety which is not clearly distinguishable from his variety protected? Who and what should do in this case?”

“How the authority should inform the public in respect of the varieties for which two or more PBRs are in force?”

provided information on the extension of the breeder’s right to essentially derived varieties, hybrid varieties and varieties which are not clearly distinguishable from the protected variety. Guidance on extension of protection to essentially derived varieties, hybrid varieties through protection of parent lines is provided in Annex III to document CAJ/46/8 Rev. “Report” and Annex III to document CAJ/47/8 “Report”.

36. The CAJ-AG is invited to consider whether, in relation to the information provided in item 3 of Appendix 7 of the Annex to this document, guidance beyond that provided in Annex III to document CAJ/46/8 Rev. “Report” and Annex III to document CAJ/47/8 “Report” should be developed.

[Annex follows]

ANNEX

CONTRIBUTIONS RECEIVED IN REPLY TO CIRCULAR E-1168
OF DECEMBER 23, 2009

The following are the contributions received in reply to Circular E-1168, inviting members and observers of the CAJ to provide examples on matters arising after the grant of the breeder's right, in particular in relation to nullity, cancellation, variety denomination and exhaustion of the breeder's right:

[A reference to the relevant paragraphs of the main document where the respective information is proposed to be considered is provided in square brackets and highlighted text]

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[Appendix 1 follows]

APPENDIX 1

CONTRIBUTION FROM ARGENTINA



2010 – YEAR OF THE BICENTENARY OF THE MAY REVOLUTION”

Ministry of Agriculture, Livestock and Fisheries
National Seed Institute

This document explains a few cases relating to events which occurred subsequent to the granting of breeder’s rights in Argentina that were settled by the National Seed Institute (INASE).

(A) *EXAMPLES OF NULLITY AND CANCELLATION OF BREEDER’S RIGHTS OWING TO NON-COMPLIANCE WITH THE DISTINCTIVENESS REQUIREMENT.- (Article 6.1(a) 1978 UPOV ACT and Article 30(d) of Law No. 20.247 on Seeds and Phylogenetic Creations)*

It is worth noting that in Law No. 20.247 on Seeds and Phylogenetic Creations, which is the national standard that regulates breeder’s rights in Argentina, under the heading “cancellation of the property title”, Article 30 makes several assumptions concerning the expiry of breeder’s rights.

Article 30(d) expressly envisages cancellation of title “when the owner does not provide a live sample of the same with characteristics identical to those of the originals, at the request of the Ministry of Agriculture, Livestock and Fisheries”.

Article 30(d) of Law 20.247 on Seeds and Phylogenetic Creations is drafted in such a way as to cover both the grounds for “nullity of breeder’s rights” due to lack of novelty and distinctness of the protected new plant variety, which are provided for in Article 10(1) of the 1978 UPOV ACT and the grounds for cancellation of the rights protected, and Article 10(2) of the same Act, if the protected variety does not satisfy the requirements of uniformity and stability allowing the reproduction of the variety with the same characteristics defined at the time protection was granted.

◆ CASE 1: Inbred sunflower line [considered under section (a) Cancellation of the breeder’s right – paragraphs 15 and 16 of main document]

In connection with an action carried out by INASE in 1998, sowing and a field test were ordered for two materials (inbred sunflower lines), one (L1) registered with the National Registry of Cultivar Property, and the other (L2) provided by the plant breeder, with a view to determining whether the materials were different. A specific test was therefore carried out, following the protocol agreed by the parties, and supplemented by a morphological description of each of the materials in question.

As the field test showed that the two materials were identical, INASE decided that the test conducted had yielded a negative finding, given that the goal had been to determine whether they were different.

However, further to a submission by the breeder who provided the L2 sample, INASE determined that, according to the characterization of the L1 sample effected in the said field test, a series of qualitative morphological characteristics did not match the description registered for that line on the basis of which the breeder was accordingly granted title to property.

Accordingly, and considering that in this case, the breeder did not provide a live sample with the same characteristics as the originals, the former SECRETARY OF AGRICULTURE, LIVESTOCK AND FISHERIES, through Decision No. 197 of August 26, 2003, decided to cancel the property title accordingly granted for the variety whose morphological characteristics were not the ones described at the time.

(File INASE 996/95)

- ◆ CASE 2: Soybean varieties [considered under section (a) *Cancellation of the breeder's right* – paragraphs 15 and 16 of main document]

In the 2006/2007 crop year and in the collection of soybean varieties which INASE carries out each year with a view to corroborating descriptive characteristics and/or checking compliance with DUS requirements, it was noted that one characteristic of a variety covered – a variety with a valid title to property that was registered in 1998 – did not match the description on the basis of which title was granted, that is, the characteristic was different from the description of the variety registered.

As the characteristic related to physiological behavior – resistance to herbicides – the test was also run in the laboratory, yielding the same result as the field test.

Accordingly, given that INASE considered that the verifications carried out showed that the owner of the variety had not provided a sample with the same characteristics as the original ones, it requested the cancellation of the property title (Article 30^a d – Law No. 20.247) and deleted it from the National Registry of Cultivar Property.

(File INASE 895/95)

- ◆ CASE 3: Soybean variety [considered under section (d) *Variety description* – paragraphs 21 and 22 of main document]

For a sample provided by the breeder of a soybean variety entered in the National Registry of Cultivar Property with a view to its inclusion in the Collection of Soybean Varieties, it was noted that the reaction to the peroxidase assay was “negative” and was thus the opposite to the behavior accordingly declared when it was entered as “positive”, as a result of which the Technical Division apprised the breeder of the situation. This characteristic is part of the description for soybean varieties and is used to divide the said varieties into groups based on their reaction.

The breeder replied that he had checked the record and had just run the analysis again and that the correct result was “negative” and that “there has been a mistake in the original declaration, which is why he asks that the reaction to peroxidase be corrected in the original file”.

The Technical Division issued a report that was sent to the Legal Division for a ruling, in which it concluded that the sample provided differed in the expression of one characteristic with regard to the original description on the basis of which title was granted. Accordingly, the applicable provision was Article 30° incl. (d) of Law No. 20.247 and concurrent passages from its Regulations, leading to the declaration of cancellation for the title to property granted.

The Legal Division wished to bring the technical report that had been prepared to the attention of the breeder.

All of the information, including the reply of the breeder, who argued inter alia that “the characteristic which differed from the original description has no bearing on agriculture and livestock and does not affect producers’ interests, and that despite the error, the variety continues to be different from the others”, was laid before the highest authority together with the foregoing technical report, for information and any action it might deem necessary.

At this point, the National Seed Board (which advised the President of INASE) stated the following opinion: “The arguments put forward by the breeder are worthy of consideration, especially when he notes that the seed coat’s reaction to the peroxidase test is an indicator used as a basis for differentiation from other varieties of the same species, which were already registered or whose registration was pending at the time of his application, and that it is not germane from an agronomic standpoint. The foregoing underscores the fact that, according to the report by the Institute, the change does not affect third party rights, given that there is no variety already registered or whose registration is pending, the only distinguishing feature of which with regard to the variety in question is the reaction to the peroxidase test.”

Consequently, the Committee members “*agreed to accept the correction in the descriptor*”. The highest authority within INASE agreed with the Committee and accepted the correction requested by the author.

(File INASE 284/99)

- ◆ CASE 4: Alfalfa variety [considered under section (d) *Variety description* – paragraphs 21 and 22 of main document]

This case involved a challenge by a breeder who owned a registered alfalfa variety and was opposed to the subsequent registration of another variety of alfalfa presented by a third party, based on the lack of difference between the two varieties.

With regard to this challenge, the applicant claimed that both the morphological and plant health differences between the two varieties must be evaluated at the time of registration of the original variety and in accordance with the descriptive characteristics, by the breeder, when the plant variety is registered and the breeder’s right therein is granted, and that if variations are produced from the original registered variety, they must be registered; otherwise, they cannot be invoked.

INASE considered that in accordance with Article 20 of the Law on Seeds, if the variations in the protected registered variety are not sufficient to consider that a new variety is involved, they will not be taken into consideration as criteria for distinctiveness, and if they are sufficient for this purpose and the owner of the registered variety wishes to exercise right of title in the material which has undergone the variations, it shall be registered as a new variety, given that the variations would lead us to believe that the said material meets the characteristics for distinctness referred to in Article 26 of Decree 2183/91.

It added that there was no doubt that the elements to be taken into consideration for verifying whether an already registered variety was different from another for which registration was sought were those which were required or were submitted when the first variety was registered. However, there was no doubt either that, when the first variety was registered, if certain information was not sought, such as that referring to behavior in the face of specific types of adversity, stemming from disease, plague or ecophysiological factors, and in accordance with the information provided by the party seeking the new registration, both varieties were differentiated precisely due to the said characteristics which were not evaluated at the outset, the sample submitted by the owner of the first variety should prima facie be accepted as valid, on the condition that it feature the characteristics on the basis of which it was registered, and the new characteristics were not incompatible with any other elements that could be derived from data available when the first variety was registered.

(INASE File 557/97)

(B) EXHAUSTION OF BREEDER'S RIGHT [considered under section (g) *Exhaustion of the breeder's right* – paragraphs 27 and 28 of main document]

This case which was submitted to INASE for consideration involved a biotech firm, various breeders with soybean varieties protected by the breeder's right system and agricultural and livestock producers.

In the following text the name of the "gene" is replaced by "modified gene".

It is argued that:

-“When the gene is incorporated in a variety, it becomes part of the same as a secondary object (Article 2327 of the Civil Code).

As can be seen, the new transgenic variety is a creation that itself comes from adding and fusion of the gene and the traditional plant variety. We can no longer continue to speak of the gene and the traditional plant variety because they are different from this new, transgenic variety.

This new transgenic variety, which possesses certain specific morphological, agronomic and other characteristics, is the outcome of the interaction of all its genes and the environment, including the created gene, and it is this indivisible physical unity as such that provides a basis for the granting of an intellectual property right for the breeder, as stipulated by Law No. 20,247 on Seeds and Phyto-genetic Creations...”

-.... “The owner of a transgenic plant variety is the owner of all its accessories, its constituent elements, including the modified genes, regardless of any rights that the creator of the gene might exercise, if he holds any such rights...”

-. . . . “It is public knowledge that no more than 18 per cent of the soybean seed (transgenic or otherwise) sold on the Argentine market are of legal origin, that is to say, that the agricultural or livestock producer acquired them legally from the breeder or a person authorized to this end and paid a price for them that included the technological value protected by means of intellectual property.

It is also public knowledge that of the remaining 82 per cent, approximately 30 to 40 per cent consist of legal seeds, given that they are protected by the farmer’s exception provided for in Article 27 of Law No. 20.247 on Seeds and Phylogenetic Creations, regulated by Article 44 of Decree 2183/91 and INASE Decision No. 35/96.

The remaining seed, apparently consists of illegal seed that have not gone through the usual commercial channels and have therefore violated intellectual property rights, in this case solely those of the owners of the plant varieties registered with INASE, given that there is no patent for the modified gene and hence no intellectual property right that has been violated by the gene.

Consequently, the only persons who are legitimately entitled to sue the users of the illegal transgenic soybean seed in Argentina are the holders of the breeder’s rights.

A similar scenario would be where the producers have failed to pay the breeder for the seed when they had agreed on a system of private payment, for example in the form of extended royalties.

Moreover, an agricultural or livestock producer who acquires and pays for the seed using normal legal channels exhausts the breeder’s right and cannot therefore levy a surcharge for it or prevent its use or the use of products derived therefrom.

Thus, UPOV, in the Model Law on the Protection of New Plant Varieties, Geneva, p. 56, in the commentary on Article 15 relating to the exhaustion of breeder’s rights, says the following: “The rule of exhaustion, which is common in industrial property law, is aimed at ensuring that the holder of a breeder’s right can only exercise his right – and receive remuneration – once in every production cycle. For example, if he has put some seeds on the market, he cannot prohibit their resale, their use to produce a harvest, the sale or processing of the harvest, etc.

If technical and economic conditions allow him to exercise his right by granting production licenses for the harvested material – for example, cut flowers – he may not prohibit the resale of the cut flowers marketed by those holding licenses.

The above should be taken to mean that when the seed companies sell farmers the transgenic soybean seed, the seed price includes the value of all of the inputs, including the one corresponding to the modified gene.

If this were not the case, the farmer would always be liable to possible claims from third parties creating inadmissible legal insecurity on the seed market.”

(Opinion No. 808 issued by the Directorate for Legal Affairs on September 8, 2004)

(C) CHANGE OF DENOMINATION [considered under section (c) *Variety denomination* – paragraphs 19 and 20 of main document]

The following involves a person granted a license by the breeder who requested a change of denomination for varieties entered in the National Registry of Cultivar Property, basing his request on the fact that the plant varieties were transferred by means of a licensing contract containing denominations different from the ones used by the company that created the variety.

In this case, it was noted that “once a variety has been entered in the National Registry of Cultivar Property, only grounds of exceptional gravity can justify a change of denomination.

Likewise, both the UPOV Convention approved by Article 13(8) of National Law No. 24.376, in Article 13(8), and Article 20 of Decree 2183/91 provide, in such cases, for the possibility of associating a factory or trade mark, a trade name or a similar indication with a cultivar denomination, provided that the said association does not in any way impede the easy recognition of the denomination that is intended to be its generic designation.

For the reasons set out, it is not appropriate to make the change requested, given that the reason for licensing the variety adduced by the applicant does not constitute exceptional grounds that would justify the change of denomination.

Without prejudice to the foregoing and in accordance with what was explained above, a mark or trade name may be added to the registered denomination, without the former altering the latter.”

(File S01:0109527/2004)

Signed: Dr. Carmen Amelia Margarita Gianni
Coordinator
Coordination of Intellectual Property and Phytogenetic Resources
NATIONAL SEED INSTITUTE
ARGENTINA

[Appendix 2 follows]

APPENDIX 2

CONTRIBUTION FROM BRAZIL



FEDERATIVE REPUBLIC OF BRAZIL
MINISTRY OF AGRICULTURE, LICESTOCK AND FOOD SUPPLY
Secretariat of Agriculture and Cooperativism
Departament of Intellectual Property and Agricultural Technology
National Plant Variety Protection Service – SNPC
Esplanada dos Ministérios, Bl. "D", Anexo A, sala 247-254, CEP: 70043-900, Brasília/DF - Brazil
Phone.: 55 (61) 3218-2549/2547 / Fax: 55 (61) 3224-2842 / E-mail: snpc@agricultura.gov.br

January 31st, 2010

Mr. Rolf Jordens
Vice Secretary-General of UPOV

Dear Sir,

In attention to the UPOV Circular E-1168, we present the following contributions.

In the Ministry of Agriculture of Brazil, the Federal Seed Inspection Service is in charge of regulation of seed production and commercialization and acts in conjunction with the National Plant Variety Protection Service (SNPC).

Regarding the matters discussed on the Document CAJ/60/8 paragraphs 8, 9 and 10, Brazil can report the following experiences:

[Section 1) below considered under section (e) *Material covered by the breeder's right* – paragraphs 23 and 24 of main document]

- 1) This case started few years ago with a claim of the breeder of an open pollinated crop against seed producers. The civil actions were based on the suspicion that the seeds stored on the accused facilities could be the Variety A, entitled to the breeder, instead of the labeled Variety B, but was on public domain. The SNPC was invited to assist the justice so that the seed samples of protected varieties kept as live sample could be used as reference for identification of the varieties. On that sense, a trial was organized including the seized seeds, samples provided by the breeder, the SNPC samples and samples of commercial varieties. The trial was also established as a post control test and is currently under evaluation. It will be checked if the protected varieties are true-to-type; the phenotypic distance among commercial varieties; and the similarity of Variety A, Variety B and seized seeds labeled as Variety B.

This crop is used as cover crop during winter season and non-certified or saved seed are the most commonly used source of seed for this purpose. Brazilian seed legislation allows saved seed but forbids the commercialization of any seed (protected or not) produced without legal origin. Because the mentioned civil actions may involve not only unauthorized use of a protected variety, but also other infringements to the Seed Law, and both authorities are under the Ministry of Agriculture, this is a situation of internal overlapping and collaboration.

However, some questions could be raised:

- a) How the plant breeders rights can be enforced in situations where the identification of a protected variety in the market is not an easy task considering an

open pollinated species, with low degree of domestication and guidelines with mainly quantitative characteristics? (This could be particularly harder in countries with large agricultural areas and with different environments affecting the phenotype of the varieties)

b) How reliable is the identification of a variety of an open pollinated species if the observation is based on advanced generations of seeds produced without breeders authorization? (Considering the seized seeds belong to the protected variety, after several multiplications one can expect a high degree of variation within the population, proportionally increased on advanced seed categories)

[Section 2) below considered under section (a) Cancellation of the breeder's right – paragraphs 15 and 16 of main document]

- 2) The following case took place in 2009 and resulted in a Court decision. The SNPC was sued by the breeder due to the cancellation of a title. The Federal Seed Inspectors, along two years and in different licensed growers, observed an excessive number of off-types on many certified seed production fields of the soybean variety FUNDACEP 59RR. Specific and detailed reports provided the basis for cancelation of the title in accordance to the following provision of Brazilian PVP Law:

“Art. 42. The title shall be administratively canceled *ex officio* or on request of any person with legitimate concern, in any of the following cases:

I - due to loss of homogeneity or of stability;

II - due to failure to effect payment of the respective annuity;

III - due to failure to comply with the requirements of Article 49;

IV - due to failure to submit a live sample, as established in Article 22;

V - due to evidence that the plant variety has caused, after commercialization thereof, an unfavorable negative impact on the environment or human health.(*sic*)”

The breeder appeals on the administrative level and later on Court. The lawyers based their defense questioning the validity of the definitions of Uniformity and Stability under the Brazilian Law and worked with the thesis that once the UPOV Convention Act 1978 was adopted after the Brazilian PVP Law hereinafter their provisions would replace the Brazilian Law. Particularly, they supported that the definitions for uniformity and stability on the Article 6(1)(a) and (b) and referred by Article 10 of the 1978 Act of the Convention would revoke any National regulation to define or detail the criteria for uniformity and stability.

The attached publication of the Justice Official Journal provides the basis of the Court decision favorable to SNPC.

Sincerely,

DANIELA AVIANI

Coordinator of National Plant Variety Protection Service

[Appendix 3 follows]

APPENDIX 3

CONTRIBUTION FROM THE EUROPEAN UNION

To the attention of Mr. Rolf Jördens
Vice Secretary-General of UPOV

Union internationale pour la protection des obtentions végétales (UPOV)
34, chemin des Colombettes
CH-1211 Genève 20

Dear Mr. Jördens,

Please find the following answer prepared by the Community Plant Variety Office to the UPOV Circular E-1168 of December, 23, 2009 on matters arising after the grants of the breeder's right:

- In UPOV documents UPOV/EXN/NUL/1 and UPOV/EXN/CAN/1 certain aspects of Nullity & Cancellation are dealt with. The Explanatory Notes on Variety Denominations under the UPOV Convention provide also guidance on situations in which the variety denomination might be cancelled.
- The proposed document on examples on matters arising after the grant of the breeders right might include (see Appendix 3 of the Annex to this document):

Nullity [considered under section (b) Nullity of the breeder's right – paragraphs 17 and 18 of main document]

- It may be stated that it is under UPOV members' law to decide which authority is competent to decide on nullity
- It may be stated that nullity proceedings may be initiated by a request from a third party or *ex officio* by the UPOV members' competent authority
- If the Distinctness requirement is being questioned, it is important that the examination authority keeps track of the reference varieties used in the original DUS test

Cancellation [considered under section (a) Cancellation of the breeder's right – paragraphs 15 and 16 of main document]

- It may be stated that it is under UPOV members' law to decide which authority is competent to decide on cancellations
- It may be stated that cancellation proceedings may be initiated by a request from a third party or *ex officio* by the UPOV members' competent authority

- If the Uniformity or Stability requirement is being questioned, it may be necessary to make a technical verification. In order for the examination office to be able to compare the results of a technical verification for Stability purposes with the plant material once protected, it is important that the authority keeps plant material of protected varieties in a living reference collection, or, that documents such as the variety description, photos of the variety from the DUS test, notes from the field test etc .. are kept by the authority.
- It is also important that authorities reflect on how to deal with cases when the variety was DUS-tested for the purpose of protection under one Guideline, and was tested for the purpose of a technical verification under an updated Guideline.

Exhaustion of breeder's right [considered under section (g) *Exhaustion of the breeder's right* – paragraphs 27 and 28 of main document]

- UPOV members' laws on exhaustion vary in relation to the scope of exhaustion, (national, regional or international exhaustion)
- The extension of protection to harvested material and the notion of exhaustion are sometimes mixed up. It may be worthwhile indicating some guidance on this in the document.

I hope this will help,

Yours sincerely,

Jacques Gennatas
Adviser to the Deputy Director-General
European Commission
DG Health and Consumers

[Appendix 4 follows]

APPENDIX 4

CONTRIBUTION FROM JAPAN

Dear UPOV Secretariat,

I'm pleased to send you the issue, regarding the Matters Arising after Grants of Plants Breeder's Rights in Japan.

Under the circumstances in Japan, we don't have any suitable examples regarding the Matters Arising after Grants of PBR.

However, we are wondering if the matter of EDV corresponds to the request in light of the matter arising after the grant of PBR.

We are sending the attached file for the matter of EDV as one example and concern.

I would appreciate it if you could address our request in an appropriate place of the UPOV.

Best Regards,

Shunsuke SARAGAI (Mr.)
Intellectual Property Division
Agricultural Production Bureau
Ministry of Agriculture, Forestry, and Fisheries (MAFF) of JAPAN

The matters arising after the grant of a breeder's rights in Japan

“The matters concerning the EDV (the variety essentially derived from the initial variety)”

[the information in the text box below is considered under section (f) *Essentially derived varieties* – paragraphs 25 and 26 of main document]

A breeder in Japan who used to get PBR (plant breeder's rights) of EDV was informed by the partner company in Netherlands that the PBR of initial variety could protect the EDV without PBR of itself. Therefore, he intends to exercise his rights of the EDV only through the PBR of initial variety and to show the status of EDV not to make confusion.

[the information in the text box below is considered under section (k) *Providing information on varieties covered by the breeder's right*– paragraphs 35 and 36 of main document]

At this situation if there are no appropriate criteria of the EDV, anyone can't say whether the variety is EDV or not, and then its holder can't exercise his rights of the EDV appropriately. And if there are no system to show in public that the EDV is under the PBR of the initial variety, many people may infringe the rights without notice of the rights.

So we think it is necessary for the authorities of PVP to create the criteria and the system.

Furthermore, we are concerned that it would cause chaos in the field to exercise the PBR by making use of the regulation of EDV. The reasons are as follows.

The EDV itself is not examined under the Plant Variety Protection and Seed Act of Japan and defined only by the way of breeding and distinctness from the initial variety. That means it is not necessary for the EDV to meet the conditions (distinctness, uniformity, stability, novelty etc) which are needed for the PBR registration. Moreover, the information (holder's name, date of grant, duration, exhaustion etc) of the rights of the EDV are not published.

Therefore, we think it is necessary for the authorities to examine the EDV, grant the rights to it and administrate the registration list of the EDVs.

For that reason, we would like to know the experiences in other member countries (for example, Netherlands), such as some judgments of the court, some concrete laws and regulations concerning the rights of the EDV and how the holder of the EDV exercises his rights.

*The rights of the EDV mean the rights generated by the PBR of initial variety.

[Appendix 5 follows]

APPENDIX 5

CONTRIBUTION FROM THE NETHERLANDS

[considered under section (a) *Cancellation of the breeder's right* – paragraphs 15 and 16 of main document]

Matters arising after the grant of the breeder's right

Contribution to this topic (related to cancellation) concerns the situation that the variety concerned is not uniform and/or stable anymore.

According to article 22, section 1, paragraph (a), of the 1991 Act of UPOV a contracting party may cancel a breeder's right granted by it if it is established that the conditions laid down in Articles 8 or 9 are no longer fulfilled.

The legislation of the Netherlands does not contain this optional possibility for the cancellation of a PBR for the following reasons.

- a. In many cases (in particular in the case of lack of homogeneity) the breeder may be able to correct the situation.
- b. Lack of stability occurring after the grant of the PBR may result in a variety that does not comply with the description of the protected variety. If (and as long as) the variety is not in conformity with its description, the object of that particular PBR has disappeared, meaning that the holder of the right cannot exercise his PBR in relation to the variety for which that right was granted.

The same reasoning goes for protected varieties which deviate from their descriptions for other reasons than lack of stability.

To the holder of the right the effect of this approach is similar to the cancellation of the right, at least as long as the variety is not in conformity with its description.

The benefits of the above mentioned approach, in our opinion, are:

- The holder of the right may be stimulated to 'restore' his variety.
- Cancellation of a right that has no object anymore is in a way an overkill. Without a cancellation procedure for these cases one avoids unnecessary efforts of the administration/court.
- A cancellation procedure for these cases might give room to arbitrariness. How does one select the 'untrue' varieties? Does one select only the varieties of which the deficiencies become clear to the authorities by chance (e.g. when used as reference varieties) or should one apply a more neutral selection scheme?

[Appendix 6 follows]

APPENDIX 6

CONTRIBUTION FROM SOUTH AFRICA

EXAMPLES ON MATTERS ARISING AFTER THE GRANT OF
THE BREEDER'S RIGHT

1. NULLITY [considered under section (b) *Nullity of the breeder's right* – paragraphs 17 and 18 of main document]

A petition to declare Phasion, a Canna variety null and void was received by the PBR Office on 3 July 2002. The grounds for the request were that the South African PBR holder was not entitled to the Rights, and that the variety did not fulfill the novelty criterion on the filing date.

The case was heard by the High Court of South Africa. Based on all documentary proof and photos submitted, the Court ruled that the granted PBR be declared 'Null & Void'. The 'PBR holder' was found guilty of fraud and he had to pay back thousands of rands in return of illegal royalties claimed.

2. VARIETY DENOMINATION [considered under section (c) *Variety denomination* – paragraphs 19 and 20 of main document]

Increasingly applicants request an alteration of denomination after the right is granted. The explanation we have received so far is that farmers sometimes prefer varieties from a particular company. For an example; A farmer prefers varieties from Company A over those from Company B. Company A will obtain rights for their varieties and licence these to Company B. Company A will then apply for an alteration of denomination so that Company B can use denominations that farmers cannot associate with Company A.

We are currently amending our act and will in future allow denomination alterations only before the grant of a plant breeder's right (exceptional circumstances will be considered on case by case basis).

[Appendix 7 follows]

APPENDIX 7

CONTRIBUTION FROM THE RUSSIAN FEDERATION

STATE COMMISSION OF THE RUSSIAN FEDERATION
FOR SELECTION ACHIEVEMENTS TEST AND PROTECTION

1/11 Orlikov per., Moscow, 107139, Russia
tel.: (7 495) 607 49 44
fax: (7 495) 411 83 66
e-mail: gossort@gossort.com
www.gossort.com

To: UPOV Office

February 26, 2010

Subj.: **Matters arising after the grant of the breeder's right**

Dear Vice Secretary-General,

Unfortunately, I had no opportunity to send my comments by January 31, 2010, as written in Circular E-1168 of December 23, 2009, concerning **Matters arising after the grant of the breeder's right**.

Meanwhile I would like to share some my considerations on this subject and ask you to note them below.

Matters arising after the grant of the breeder's right

1. **Article 10.** [considered under section (h) *Filing of applications* – paragraphs 29 and 30 of main document]

What should be guided the breeder when choosing the country of subsequent application?

2. **Article 13.** [considered under section (i) *Provisional protection* – paragraphs 31 and 32 of main document]

How the breeder may realize his rights in relation to infringements have been made for the provisional protection period?

Examples demonstrating the breeder's actions in respect of persons infringed / infringing the breeder's right for the provisional protection period should be developed.

3. Article 14.

[the information in the text box below is considered under section (j) *Enforcement of the breeder's right – paragraphs 33 and 34 of main document*]

How the breeder may enforce more effectively his right when authorizing acts in respect of the propagating material to the third parties?

How the breeder may realize his right in respect of the harvested material received as a result of the use of the propagating material unauthorized? On what compensation may the breeder make a claim in this case?

[the information in the text box below is considered under section (k) *Providing information on varieties covered by the breeder's right – paragraphs 35 and 36 of main document*]

How the breeder of an original variety may certify his right to a variety essentially derived from his original variety?

How the right of a joint owner of the original variety may be certified in the right for the essentially derived variety?

How the breeder of a hybrid line / hybrid parent form may certify his right for the hybrid?

How the breeder's rights for the hybrid line / hybrid parent form may be certified in the breeder's right for the hybrid?

How the breeder may enforce his right for the variety which is not clearly distinguishable from his variety protected? Who and what should do in this case?

How the authority should inform the public in respect of the varieties for which two or more PBRs are in force?

[the information in this text box below is considered under section (j) *Enforcement of the breeder's right – paragraphs 33 and 34 of main document*]

How the license may be issued for acts in respect of the propagating material of the variety for which two or more PBRs are in force?

Examples concerning state or public measures in respect of PBR efficiency enforcement should be demonstrated.

4. Article 16. [considered under section (g) *Exhaustion of the breeder's right – paragraphs 27 and 28 of main document*]

How the breeder may realize his right if acts in respect of his variety material which he has sold or other marketed relate to export of the material to a country where varieties belonged to the given botanical genus or species are not protected?

Whether the breeder in this case has the right to:

- request from the exporter applicable remuneration for the authorization to export the material;

- stipulate acts of the third parties in respect of the variety material in the territory of the importer country;

- do not authorize the export?

Thank you very much for your attention.

Sincerely yours,

Y. Rogovskiy,
Deputy Chairman

[End of Annex and of document]