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**INTERNATIONAL UNION FOR THE PROTECTION OF NEW VARIETIES OF PLANTS**  
GENEVA

**ADMINISTRATIVE AND LEGAL COMMITTEE  
ADVISORY GROUP**

**Sixth Session  
Geneva, October 18, 2011**

**EXPLANATORY NOTES ON ESSENTIALLY DERIVED VARIETIES  
UNDER THE 1991 ACT OF THE UPOV CONVENTION  
(REVISION)**

*Document prepared by the Office of the Union*

1. At its fifth session, held in Geneva on October 18, 2010 and on the afternoon of October 19, 2010, the Administrative and Legal Committee Advisory Group (CAJ-AG) considered document CAJ-AG/10/5/3 “Explanatory Notes on Essentially Derived Varieties under the 1991 Act of the UPOV Convention (Revision)” and agreed to request its members, the International Community of Breeders of Asexually Reproduced Ornamental and Fruit Plants (CIOPORA) and the International Seed Federation (ISF) to send comments on the document to the Office of the Union. The CAJ-AG agreed that based on the comments made at its fifth session and those submitted to the Office of the Union, a new version of document “Explanatory Notes on Essentially Derived Varieties under the 1991 Act of the UPOV Convention (Revision)” would be prepared for the sixth session of the CAJ-AG in October 2011 (see document CAJ-AG/10/5/7 “Report”, paragraph 18).

2. This document is structured as follows:

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## BACKGROUND

### *Discussions at the fourth session of the Administrative and Legal Committee Advisory Group (CAJ-AG)*

3. At its fourth session, held on October 23, 2009, the CAJ-AG considered document CAJ-AG/09/4/3 containing available information that might help to explain the relationship between Article 14(5)(b)(i) and (iii) of the 1991 Act of the UPOV Convention, and the situation with regard to variety “D” in figures 3 and 4 of document UPOV/EXN/EDV/1 “Explanatory Notes on Essentially Derived Varieties Under the 1991 Act of the UPOV Convention”.

4. The CAJ-AG requested the Office of the Union to develop a draft explanation on the relationship between the provisions of Article 14(5)(b)(i) and (iii) of the 1991 Act, for discussion at the fifth session of the CAJ-AG (see document CAJ-AG/09/4/4 “Report”, paragraphs 22 to 24).

5. The CAJ-AG concluded that the information presented in document CAJ-AG/09/4/3, paragraph 12, provided a suitable basis for the inclusion of a variety “D” in figures 3 and 4 of document UPOV/EXN/EDV/1, and agreed that the Office of the Union should develop a proposal for discussion at the fifth session of the CAJ-AG (see document CAJ-AG/09/4/4 “Report”, paragraph 25).

### *Discussions at the sixty-first session of the Administrative and Legal Committee (CAJ)*

6. At the sixty-first session of the CAJ, held in Geneva on March 25, 2010, the Delegation of Japan reported that farmers and growers in Japan often applied for breeders’ rights for mutation varieties. The Delegation of Japan was interested to learn more about the experience

of other members of the Union on matters that might be raised concerning essentially derived varieties.

7. At the sixty-first session of the CAJ, 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 (see document CAJ/61/11, “Report on the Conclusions”).

*Discussions at the fifth session of the Administrative and Legal Committee Advisory Group (CAJ-AG)*

8. At its fifth session, the CAJ-AG considered document CAJ-AG/10/5/3.

9. The relevant discussions at the CAJ-AG in relation to the proposals listed in paragraph 3 are presented within section “Proposals for consideration by the CAJ-AG”.

10. The CAJ-AG agreed to request its members, CIOPORA and ISF to send comments on document CAJ-AG/10/5/3 to the Office of the Union. Based on the comments made at its fifth session and those submitted to the Office of the Union, a new version of document “Explanatory Notes on Essentially Derived Varieties under the 1991 Act of the UPOV Convention (Revision)” be prepared for the sixth session of the CAJ-AG in October 2011 (see document CAJ-AG/10/5/7 “Report”, paragraph 18).

11. No comments were received on document CAJ-AG/10/5/3. Therefore the present document has been prepared on the basis of comments made at the fifth session of the CAJ-AG.

## PROPOSALS FOR CONSIDERATION BY THE CAJ-AG

### I. Consideration of a draft for the revision of the “Explanatory Notes on Essentially Derived Varieties Under the 1991 Act of the UPOV Convention”, (document UPOV/EXN/EDV/2 Draft 1)

12. At the fifth session of the CAJ-AG there were no objections to the proposals concerning the proposed revision of sections (b) and (c) of the “Explanatory Notes on Essentially Derived Varieties under the 1991 Act of the UPOV Convention” (document UPOV/EXN/EDV/1 paragraphs 3 to 8). Those proposals, which were presented in Annex II to document CAJ-AG/10/5/3 concerned the incorporation of variety “D” in figures 1 and 2 of document UPOV/EXN/EDV/1 and the corresponding changes for figures 3 and 4 of document UPOV/EXN/EDV/1.

13. No comments were received after the fifth session of the CAJ-AG. On that basis, document UPOV/EXN/EDV/2, Draft 1 “Explanatory Notes on Essentially Derived Varieties Under the 1991 Act of the UPOV Convention”(Revision), which incorporates the changes presented in Annex II to document CAJ-AG/10/5/3, has been prepared for consideration by the CAJ-AG.

14. *The CAJ-AG is invited to consider:*

*(a) document UPOV/EXN/EDV/2 Draft 1 “Explanatory Notes on Essentially Derived Varieties Under the 1991 Act of the UPOV Convention”, and*

*(b) whether to propose that document UPOV/EXN/EDV/2 Draft 1 to be presented to the CAJ for approval at its sixty-fifth session, to be held in Geneva in March 2012.*

II. The relationship between Article 14(5)(b)(i) and (iii) of the 1991 Act of the UPOV Convention

**Article 14(5)(b) of the 1991 Act of the UPOV Convention**

*(b)* For the purposes of subparagraph *(a)(i)*, a variety shall be deemed to be essentially derived from another variety (“the initial variety”) when

*(i)* it is predominantly derived from the initial variety, or from a variety that is itself predominantly derived from the initial variety, while retaining the expression of the essential characteristics that result from the genotype or combination of genotypes of the initial variety,

*(ii)* it is clearly distinguishable from the initial variety and

*(iii)* except for the differences which result from the act of derivation, it conforms to the initial variety in the expression of the essential characteristics that result from the genotype or combination of genotypes of the initial variety.

15. The following paragraphs provide information on discussions that took place: (a) during the preparatory work for the 1991 Diplomatic Conference for the Revision of the International Convention for the Protection of New Varieties of Plants; (b) during the Diplomatic Conference; (c) during the process for the development of guidance on essentially derived varieties after the Diplomatic Conference; and (d) during the fifth session of the CAJ-AG, that may be relevant for discussions with respect to Article 14(5)(b)(i) and (iii) of the 1991 Act of the UPOV Convention.

*(a) Discussions that took place during the preparatory work for the 1991 Diplomatic Conference for the Revision of the International Convention for the Protection of New Varieties of Plants*

16. At the Fourth Meeting with International Organizations, held in Geneva on October 9 and 10, 1989, document IOM/IV/2, “Revision of the Convention”, included provisions for essentially derived varieties in paragraph 3 of the Proposed New Text to Article 5 “Effect of

the Right Granted to the Breeder”. The proposed text of Article 5 did not include a definition of essentially derived variety; however, alternatives were provided as follows:

[Extract from document IOM/IV/2]

“Proposed New Text

“Article 5

“Effects of the Right Granted to the Breeder

“[...]

“(3) If a variety is essentially derived from a [single] protected variety, the owner of the right in the protected variety

[Alternative 1] may prevent all persons not having his consent from performing the acts described in paragraph (1) above in relation to the new variety.

[Alternative 2] shall be entitled to equitable remuneration in respect of the commercial exploitation of the new variety.

[Alternative 3] may prevent all persons not having his consent from performing the acts described in paragraph (1) above in relation to the new variety. However, where the new variety shows a substantial improvement over the protected variety, the owner of the right shall only be entitled to equitable remuneration in respect of the commercial exploitation of the new variety.

“[...]

[Extract of the explanatory notes on Article 5 “Effects of the Right Granted to the Breeder” presented in document IOM/IV/2, “Revision of the Convention”]

“5. Paragraph 3. – This paragraph introduces a new concept into the law of plant variety protection: the exploitation – but not the breeding – of a variety that is essentially derived from a protected variety would be subject to the right granted to the breeder of the latter variety (‘dependence’).

“6. The Committee has not yet taken a final position on the question whether the word ‘single’ would be inserted or omitted; at the present stage of the discussions, there seems to be general agreement on the fact that the following conditions should be met for there to be dependence:

“[...]

“(ii) the derived variety must retain almost the totality of the genotype of the mother variety and be distinguishable from that variety by a very limited number of characteristics (typically by one)

“[...]

(b) *Discussions that took place during the Diplomatic Conference*

17. With respect to “*while retaining the expression of the essential characteristics that result from the genotype or combination of genotypes of the initial variety*”; the wording of the Basic Proposal presented at the 1991 Diplomatic Conference was as follows:

“(i) it is predominantly derived from the initial variety, or from a variety that is itself predominantly derived from the initial variety, particularly through methods which have the effect of conserving the essential characteristics that are the expression of the genotype or of the combination of genotypes of the initial variety, such as the selection of a natural or induced mutant of the somaclonal variant, the selection of a variant, backcrossings or transformation by genetic engineering.”

18. The Basic Proposal was changed to the adopted text of Article 14(5)(b)(i) by the Drafting Committee when considering a particular proposal (document DC/91/14). The redrafting was not intended to change the substance of the content (see the Basic Proposal, document DC/91/14 and Summary Minutes of the Diplomatic Conference, paragraphs 1073, 1096 and 1097, also contained in the Annex to document CAJ-AG/09/4/3, pages 67, 72, 76, 78 and 79).

(c) *Discussions that took place during the process for the development of guidance on essentially derived varieties after the Diplomatic Conference*

19. The Diplomatic Conference for the Revision of the International Convention for the Protection of New Varieties of Plants, held in Geneva from March 4 to 19, 1991, adopted the following resolution (see document DC/91/140):

“Resolution on Article 14(5)

“The Diplomatic Conference for the Revision of the International Convention for the Protection of New Varieties of Plants held from March 4 to 19, 1991, requests the Secretary-General of UPOV to start work immediately after the Conference on the establishment of draft standard guidelines, for adoption by the Council of UPOV, on essentially derived varieties.”

20. In relation to the above resolution, draft guidelines related to essentially derived varieties were elaborated and discussed by the CAJ at its twenty-ninth session held in Geneva on October 21 and 22, 1991; at its thirtieth session held in Geneva on April 8 and 9, 1992; at its thirty-second session held in Geneva on April 22 and 23, 1993; and during the sixth meeting with international organizations (IOM/6) held in Geneva on October 30, 1992.

21. As part of the work on the development of draft standard guidelines on essentially derived varieties, on the basis of document CAJ/29/2, the relationship between Article 14(5)(b)(i) and (iii) was discussed at the twenty-ninth session of the CAJ held in Geneva on October 21 and 22, 1991, and at the thirtieth session of the CAJ, held in Geneva on April 8 and 9, 1992.

22. The records of the relevant discussions on document CAJ/29/2 at the twenty-ninth and thirtieth sessions of the CAJ, contained in documents CAJ/29/7 “Report”, and CAJ/30/6 “Report”, are reproduced in Annex I to this document.

23. The following proposals were presented in document IOM/6/2 “Essentially Derived Varieties” at the sixth Meeting with International Organizations (IOM/6) held in Geneva on October 30, 1992:

“8. ‘predominantly derived from the initial variety’ Article 14(5)(b)(i): The requirement of predominant derivation from an initial variety means that a variety can only be essentially derived from one variety. Discussions of the revision proposals in the sessions of the Administrative and Legal Committee which preceded the adoption by the Council in October 1990 of a draft Convention consistently showed that the intention was that a variety should only be essentially derived from another variety when it retained virtually the whole genotype of the other variety. This is confined by the words commented upon in paragraph 9 below. A derived variety could not in practice retain the expression of the essential characteristics of the variety from which it is derived unless it is almost entirely derived from that variety.

“9. ‘while retaining the expression of the essential characteristics’: The essential characteristics are those which are indispensable or fundamental to the variety. ‘Characteristics’ would seem to embrace all features of a variety including, for example, morphological, physiological, agronomic, industrial and biochemical characteristics. It is suggested that the result of a biochemical test conducted on a variety, for instance, a screening test using a genetic probe, is a characteristic of the variety. ‘while retaining’ requires that the expression of the essential characteristics be derived from the initial variety.

“[...]

“12. ‘(iii) except for the differences which result from the act of derivation it conforms to the initial variety in the expression of the essential characteristics that result from the genotype or combination of genotypes of the original variety’: The words ‘except for the differences which result from the act of derivation’ do not set a limit to the amount of difference which may exist where a variety is considered to be essentially derived. A limit is, however, set by the words of paragraph (i). The differences must not be such that the variety fails ‘to retain the expression of the essential characteristics that result from the genotype or combination of genotypes of the initial variety.’ A comparison between subparagraphs (i) and (iii) of Article 14(5)(b) is somehow problematic in that (i) would seem to require the whole of the expression of the essential characteristics that result from the genotype of the initial variety while (iii) requires only that the derived variety conforms to the initial variety except for differences resulting from the act of derivation (however, see the discussions in paragraph 13 below). The examples of essential derivation given in Article 14(5) (c) make clear that the differences which result from the act of derivation should be one or very few.

“IV. Establishing the ‘essential derivation’ of a variety

“13. Article 14(5)(b) lays down those conditions that must be satisfied in order that a later variety shall be deemed to be essentially derived from another variety (‘the initial variety’). The second of those conditions (established in Article 14(5)(b)(ii)) requires only that the later variety be clearly distinguishable from the initial variety and requires no further comment. The first such condition (established in Article 14(5)(b)(i)) requires that the later variety be derived from the initial variety which in turn requires that genetic materials of the initial variety have been used in the creation of the later variety. The first condition is accordingly concerned with the genetic origin of the later variety. The third such condition (established in Article 14(5)(b)(iii)) requires that the later variety conforms to (‘is made similar to’) the initial variety in the expression of the inherited essential characteristics of the initial variety apart from the differences which result from the act of

derivation. The third condition is accordingly concerned with the degree of similarity of the later variety to the initial variety. Whilst the first condition also makes reference to the degree of similarity, the primary function of the first condition is to establish a requirement relating to the genetic origin of the variety.

“[...]”

“VI. The question of the Degree of Similarity”

“[...]”

“21. To fulfill the conditions imposed by Article 14(5)(b)(iii) a later variety must conform to the initial variety in the expression of the essential heritable characteristics of the initial variety ‘except for the differences which result from the act of derivation’. Theoretically, if variety A is crossed with variety B and Variety X is selected from the resulting progeny, if variety X derives less than half of its essential heritable characteristics (i.e. from its genotype) from A and more than half from B, it will be essentially derived from B since apart from the characteristics derived from A, it conforms to the expression of the essential characteristics of B. This is clearly not the intended interpretation. A later variety cannot fulfill the conditions of Article 14(5)(b)(i) unless it is predominantly derived from the initial variety while retaining, without qualification in Article 14(5)(b)(i), the expression of the essential heritable characteristics of the initial variety.”

24. The records of the discussions at the IOM/6 on the above proposals are contained in document IOM/6/5 “Report” and are reproduced in Annex II to this document.

25. Copies of documents IOM/6/2 “Essentially Derived Varieties” and IOM/6/5 “Report” in the four languages of the Office of the Union will be posted, as reference documents, at the CAJ-AG/11/6 section of the UPOV website.

26. The CAJ, at its thirty-second session on April 22 and 23, 1993, and the Technical Committee, at its twenty-ninth session held on April 21 and 22, 1993, decided as follows: (document CAJ/32/10-TC/29/9 “Report”, see Annex to document CAJ-AG/09/4/3, page 100):

“Guidelines Relating to Essentially Derived Varieties”

“28. The Chairman asked whether a list of sample cases in which a variety would be essentially derived should be drawn up at the present stage, or whether one should rather await the entry into force of the provisions concerned and the accumulation of some initial practical experience. In the first hypothesis the question that arose was how to incorporate the advice of breeders in the Guidelines, as the Guidelines were addressed to them; in that case the form of the document would also have to be specified.

“29. The Delegations of Germany, France and the Netherlands were of the opinion that one could not draw up a list in the abstract, which moreover would be liable to be taken as an exhaustive list, and that one should wait. It was also mentioned that the work of the Working Group on Biochemical and Molecular Techniques would greatly contribute to the definition of the essentially derived variety concept in practical cases.

“The Chairman concluded that this agenda item could be adjourned sine die.”



(d) *Discussions that took place during the fifth session of the CAJ-AG*

27. At the fifth session of the CAJ-AG, the representative of CIOPORA explained that for CIOPORA, to avoid legal uncertainty, it was necessary to clearly define the difference required for a variety to be considered not to be an essentially derived variety. He explained that the extension of the protection of an initial variety to its essentially derived varieties provided an effective means of protection for those essentially derived varieties that would have a short commercial life. CIOPORA considered that varieties obtained by mutation should be considered to be essentially derived varieties, irrespective of the number of differences. Therefore, he did not agree with the final sentence of paragraph 12 of document CAJ/29/2 “Guidelines to essentially derived varieties” and of paragraph 12 of document IOM/6/2 “Essentially Derived Varieties”, which stated that “[...] the differences which result from the act of derivation should be one or very few.” (see document CAJ-AG/10/5/7 “Report”, paragraph 14).

28. The CAJ-AG expressed concerns with regard to CIOPORA’s position that all mutations were essentially derived varieties (see document CAJ-AG/10/5/7 “Report”, paragraph 15).

29. *The CAJ-AG is invited to:*

(a) *to consider whether to include an explanation of the relationship between the provisions of Article 14(5)(b)(i) and (iii) of the 1991 Act of the UPOV Convention in a future revision of document UPOV/EXN/EDV “Explanatory Notes on Essentially Derived Varieties Under the 1991 Act of the UPOV Convention”, and*

(b) *subject to a), to review the proposals made in paragraphs 8, 9, 12 and 13 of document IOM/6/2 “Essentially Derived Varieties” as a basis to seek to develop guidance with respect to the relationship between the provisions of Article 14(5)(b)(i) and (iii) of the 1991 Act of the UPOV Convention.*

III. Matters concerning essentially derived varieties

30. At the sixty-first session of the CAJ, the Delegation of Japan expressed an interest to learn more about the experience of other members of the Union on matters that might be raised after the grant of the breeder’s right concerning essentially derived varieties and provided the following contribution in reply to Circular E-1168 (see Appendix 4 to the Annex to document CAJ/61/8 “Matters arising after the grant of the breeder’s right”).

‘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)’

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.

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”

31. 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 (see paragraphs 73 of document CAJ/61/12 “Report”).

32. *The CAJ-AG is invited to consider:*

(a) *the issues raised by the Delegation of Japan with regard to the exercise of plant breeders’ rights in relation to essentially derived varieties, and*

(b) *whether documents CAJ/46/7 “The Notion of Essentially Derived Varieties in the Breeding of Ornamental Varieties” and Annex II to document CAJ/47/8 “Report”*

*provide a basis for guidance on essentially derived varieties that might be incorporated in a future revision of document UPOV/EXN/EDV.*

IV. The use of information of the initial variety to obtain essentially derived varieties

33. At the fifth session of the CAJ-AG, the representative of ISF requested the CAJ-AG to consider whether variety “D” would be “predominantly derived” from the initial variety if variety “D” was obtained by using only information on the initial variety, such as the DNA profile (see document CAJ-AG/10/5/7 “Report”, paragraph 17).

*34. The CAJ-AG is invited to consider whether a variety could be considered to be essentially derived variety from an initial variety if it was obtained by using only information from the initial variety, such as the DNA profile.*

[Annexes follow]

ANNEX I

Relevant discussions on document CAJ/29/2 at the twenty-ninth and thirtieth sessions  
of the CAJ

ADMINISTRATIVE AND LEGAL COMMITTEE

Twenty-ninth Session  
Geneva, October 21 and 22, 1991

Document CAJ/29/7

REPORT

Relevant paragraph:

“11. Several delegations felt that it would be useful to hold a discussion with the breeder’s organizations – particularly ASSINSEL, which had already begun examining the matter – in view of the part the breeders would be required to play in managing the system of essentially derived varieties. A symposium could be held for that purpose on the occasion of the 1992 session of the Council and document CAJ/29/2 could be considered as an initial discussion paper, which in no way committed UPOV.”

ADMINISTRATIVE AND LEGAL COMMITTEE

Thirtieth Session  
Geneva, April 8 and 9, 1992

Document CAJ/30/6

REPORT

Relevant paragraphs:

“Guidelines Relating to Essentially Derived Varieties

General

4. Discussions were based on documents CAJ/29/2, CAJ/29/7, paragraphs 4 to 14, and CAJ/30/5. The Committee also briefly discussed a letter from the Secretary General of the International Community of Breeders of Asexually Reproduced Ornamental and Fruit-Tree Varieties (CIOPORA), dated April 4, 1992, that had been received by the Office of the Union on the day preceding the session. The letter is reproduced at Annex II hereto.

Documents CAJ/29/2 and CAJ/29/7

5. Nature and Role of the Guidelines. – The Committee approached that question on the basis of paragraph 7 of document CAJ/29/7 (report on its twenty-ninth session).

6. The majority of delegations that spoke on that matter held the following views:

(i) It was not necessary to draw up guidelines for lawmakers, except possibly with regard to the burden of proof, since laws should remain sufficiently general to admit adjustment to future developments.

(ii) The guidelines were mainly aimed at breeders, who were required to manage between themselves the economic relationships resulting from extension of the protection of one variety to the essentially derived varieties.

(iii) The guidelines were therefore also aimed, for example in the form of an expert opinion, at those authorities that would be responsible for settling disputes between breeders on the essentially derived nature or not of a variety.

The delegation of Japan would have preferred guidelines aimed at the lawmakers.

7. The importance of closely concerted action with the breeders’ organizations was stressed by several delegations in view of the part to be played by the breeders.

8. Several delegations pointed to the limitations suffered by the guidelines: examination of examples showed that they could go no further than generalities and, moreover, detail was likely to impede the capacity for adapting to circumstances. The Delegations of Germany and of Denmark proposed that there should be a simple collection of examples that reflected the outcome of discussions. The Delegation of France held that to pursue examples would rapidly lead to a dead end.

“[...]

12. Paragraph 8 of Document CAJ/29/2. – All the delegations that spoke with regard to that paragraph were opposed to the description given for the “percentage of derivation.” The 50% boundary was not particularly telling and was likely to lead to serious technical error on the part of a non-specialist. To lay down a figure was also extremely hazardous where its basis was not known (all genetic material or the coding parts only) and where there was a genetic heritage common to all the varieties.

13. Paragraph 9 of Document CAJ/29/2. – The Delegation of the United Kingdom pointed out the danger of analyzing every phrase, since that would raise more problems than it solved. Such was the case for the explanations as to the concept of “characteristics.”

14. Paragraph 12 of Document CAJ/29/2. – The Delegation of Japan said that not only did account have to be taken of the number of differences, but also of their significance. That point was not considered further.

“[...]

22. Paragraph 21 of Document CAJ/29/2. – The Committee wanted that paragraph to be redrafted in order to avoid the problem of percentages.

“[...]

“27. Document to be Submitted to the Sixth Meeting with International Organizations.- The Committee agreed that document CAJ/9/2, without part VII, should be the basis for the document to be submitted to the sixth meeting with international organizations, it being understood that such document would not be a draft for the guidelines referred in the Resolution on Article 14(5) adopted by the Diplomatic Conference. It was emphasized, in particular, that the guidelines should not enter into detail given in paragraphs 6 et seq of document CAJ/29/2.”

[Annex II follows]

ANNEX II

Discussions on paragraphs 8, 9, 12 and 13  
of document IOM/6/2 "Essentially Derived Varieties"

SIXTH MEETING WITH INTERNATIONAL ORGANIZATIONS

Geneva, October 30, 1992

Document IOM/6/5

RECORD OF THE MEETING

Relevant paragraphs:

Paragraph 8

19. Mr. LANGE (ASSINSEL) said that ASSINSEL was basically in agreement with the statements in paragraph 8. It also went along with the interpretation that the words "predominantly derived from the initial variety" meant that derivation could only exist from one variety. However, it had discussed a case, in relation to that paragraph, in which a variety A was crossed with a variety B and the progeny was selected in such a way that the new variety came very close to the genome of variety B. It was ASSINSEL's view that such a case was to be dealt with rather like the case of backcrossing and could indeed be covered by the phrase in question. ASSINSEL felt, however, that such cases should be examined with great prudence and that the question of the threshold value had to play a decisive part.

20. Mr. WINTER (COMASSO) informed the meeting of COMASSO's view that the interpretation of the Act reproduced in paragraph 8 was correct and that indeed only one variety could be the initial variety.

21. Mr. Dirk BÖRINGER (Germany) observed that the case set out by Mr. Lange (ASSINSEL) presented no problems for him. The decisive fact was whether the new variety essentially contained the genome of one of the parent varieties. The method of breeding was not laid down at any point.

Paragraph 9

22. Mr. LANGE (ASSINSEL) said that ASSINSEL was of the opinion that the word "essential" should not contain any connotation of the value of the corresponding characteristics. Nor should it in any way constitute a limitation to certain properties. ASSINSEL had already made observations on that question in its written comments; for it, the words "essential characteristics" referred as it were to the essence of the genotype of the initial variety and meant that the whole genome of the initial variety had to be used as a basis for assessing genetic conformity.

23.1 Mr. ROYON (CIOPORA) recalled that CIOPORA had already underlined in the discussions on the draft revised UPOV Convention that it was of the view that the expression of the essential characteristics was really the overwhelming matter to be considered in dependency. However, it again felt that the wording of the 1991 Act was very confusing indeed. Despite the explanations given in paragraph 12 of document IOM/6/2, it felt that there was an unnecessary repetition and even a discrepancy in Article 14(5)(b) between: "while retaining the expression of the essential characteristics ... of the initial variety" in item (i) and "it conforms" in item (iii), the latter being laxer than the former. CIOPORA had already made many comments in the past on the word "conform."

23.2 It was therefore important for this meeting to define what was really necessary for an essentially derived variety to reproduce the essential characteristics of the initial one. As to the word "essential" itself, CIOPORA did not fully agree with the explanations or interpretations given by Mr. Lange (ASSINSEL), because it considered it premature, at this stage, to say that elements of value--"value" being a very broad term--should be excluded from the scope of the word "essential." That scope should evolve only through judicial interpretation.

Paragraph 12

33. Mr. LANGE (ASSINSEL) stated that ASSINSEL was generally in agreement with the statements in paragraph 12, although their formulation appeared somewhat complicated. However, it did have a question, particularly with regard to the final sentence: what was the meaning of the phrase "the differences which result from the act of derivation should be one or very few"? ASSINSEL felt that that statement should not impair the question of threshold values in any event. Furthermore, the term "threshold value" was nowhere to be found. The question therefore arose why that term had not been used.

34.1 Mr. GREENGRASS (Vice Secretary-General of UPOV) observed that in discussions that had taken place within UPOV thus far, there had been a certain reluctance to resort to mathematical formulations, and the notion of a threshold value would just require that. It should be recognized that not every implication of a new concept of this kind could be anticipated; for that reason, the tendency had been to refrain from putting forward a figure or elements leading to a figure. One had to be conscious of the fact that a significant portion of the genotype was "sleeping," i.e. was not expressed. Percentages and thresholds would only be meaningful if they related to an appropriate, well-defined basis. Most member States would like to keep the concept very general, at least at this stage, so that it remained flexible in its application.

34.2 As far as the last sentence was concerned, Mr. Greengrass stated that its purpose was merely to emphasize the fact that varieties would not be essentially derived unless they were extremely close to the initial variety.

35.1 Mr. LE BUANEC (ASSINSEL) observed that discussions on paragraphs 10 to 12 had shown the importance of the interplay between the concepts of distinctness and of derivation. ASSINSEL, for its part, felt that there was no reason to change the work that was currently being done on distinctness under the 1978 Act. As far as derivation was concerned, it felt that it had to be judged after distinctness had been determined, and probably on the basis of criteria that were not necessarily the same.

35.2 To follow up the comments made by Mr. Greengrass (Vice Secretary-General of UPOV), Mr. Le Buanec pointed out that the aim and the wish of ASSINSEL were not to have quantified values already shown in a document. That would be far too premature and, in any event, progress had to be species by species and genetic structure by genetic structure in order to arrive at reliable data. What it would like, on the other hand, was for the concept of threshold to be discussed at some point or other, but without greater detail. To members of ASSINSEL, the members of the profession to whom the Convention was addressed by priority, obviously within the general framework of law, it appeared that the concept of threshold was altogether fundamental.



36.1 Mr. ROYON (CIOPORA) stated that CIOPORA felt very uneasy about the wording of Article 14(5)(b). It had opposed this wording during the discussions before the Diplomatic Conference; it needed to know what the UPOV experts really meant by saying in item (i): "while retaining the expression of the essential characteristics" and then in item (iii): "it conforms to the initial variety." Did they mean that virtually all the characteristics--or only most of them--had to be retained? Was "conform" less stringent? Clarifications should be given on this point to the users of the Convention, and at least to the Governments which would have to give effect to the Convention domestically, to avoid great insecurity in the implementation of the 1991 Act.

36.2 Mr. Royon then again repeated that the discussion on the problem of distinctness could not be separated from that on the problem of dependency because there were examples under the 1978 Act of cases where very minute differences had been accepted in some countries to grant protection and where, from the point of view of infringement, no one was able, either in the trade or in the public at large, to distinguish the two varieties concerned.

37. Mr. Gérard URSELMANN (ASSINSEL) wondered whether the statement of Mr. Greengrass (Vice Secretary-General of UPOV) in reply to the question from ASSINSEL had made the position clear for the audience. He had understood the statement in the sense that, to be essentially derived, a variety had to be very close to the initial variety and had in fact to differ only in one or a very small number of expressions of characteristics, i.e., in ASSINSEL's understanding, two or three. If that were to be the position, then the principle of dependency would apply in a very small number of cases in practice and would

be void of any significance. ASSINSEL was in the process of establishing thresholds for the various species and groups within species, and if the statement made in document IOM/6/2 were to be the principle underlying UPOV's work, then there would hardly be any need for discussions on thresholds. ASSINSEL would propose to delete the reference to "should be one or very few" and to pave the way for discussions on thresholds and a formulation thereof.

Paragraphs 13 and 14

38. Mr. KIEWIET (Netherlands) wished to raise a question with the international organizations in relation to the nature of the guidelines which the UPOV Council would have to establish. In general, UPOV guidelines were meant to give guidance to the national authorities responsible for the granting of breeders' rights. The general opinion was that the determination whether a variety was an essentially derived one or not had to be made in the first place by the private parties concerned, the breeders. The guidelines were therefore, in that case, primarily of relevance to those parties; they should also give guidance to the Courts which would have to deal with the matter if the parties did not reach an agreement. The question was therefore: would the breeders--and the Courts--take the guidelines seriously? Mr. Kiewiet recognized that nobody could give a definite answer to that question at this meeting. He therefore asked the international organizations whether the breeders' organizations considered the possibility of establishing guidelines on their own to give guidance to their members, or whether they were prepared to support the guidelines established by UPOV in a declaration directed to their members.

39. Mr. LE BUANEC (ASSINSEL) replied that the position of ASSINSEL was altogether clear. It was obvious that the guidelines to be set up would be essentially aimed at breeders and possibly the courts. However, between the breeders and the courts, there would probably be an intermediary instance constituted by the arbitration boards. ASSINSEL was highly favorable to the establishment of arbitration rules, which would obviously be closely related to the guidelines. If close collaboration between ASSINSEL and UPOV could lead to UPOV guidelines, ASSINSEL would of course be ready to support them with respect to the arbitration boards and the courts. It had the intention of drawing up a number of such rules in the coming two years.

40.1 Mr. ROYON (CIOPORA) stated that CIOPORA was indeed always ready to collaborate closely with the Office of the Union to put together guidelines, where necessary. However, it would find it a little awkward to have to finalize the guidelines on the basis of a text which, from the very onset, did not altogether satisfy it. It therefore appeared that the first guidelines on which agreement could be reached ought to concern the minimum distances; those indeed appeared necessary both for the use of the granting authorities and for the use of the courts that would have to decide in infringement proceedings involving varieties that were not clearly distinguishable.

40.2 As far as the subject matter of the meeting was concerned, it appeared somewhat premature to CIOPORA to consider guidelines. It would, on the other hand, welcome a discussion being opened on the issues of burden of proof and the problems that would arise due to the coexistence of differing versions of the Convention. Despite that, CIOPORA was open to all suggestions and its cooperation with UPOV was assured. However, it had the impression that it would be difficult to set up guidelines limited to the matter of essentially derived varieties on the basis of a text that did not as yet appear satisfactory.

40.3 Mr. Royon added that, although he was aware that discussions could only take place on the basis of an existing text, it was indeed because he had repeatedly spoken up over the years on the matter of dependency that CIOPORA had finally obtained that dependency in the 1991 Act. It was therefore not premature to go into the wishes for amendment to the present text in the light of the forthcoming revision of the Convention.

41. Mr. WINTER (COMASSO) put forward the view that it was technically correct to take the presently available text--whether it be satisfactory or not--as a basis to carry out constructive work and to at last convert the new principle into a practical reality. That principle had been introduced in order to protect the initial breeder and COMASSO supported that basic intention. It would be essential for UPOV to draw up the guidelines, of any type, together with the professional organizations concerned since they could serve as a help in reaching decisions on how to determine derivation, whether for the benefit of the breeders themselves or for the courts.

42. Mr. LANGE (ASSINSEL) expressed the wish of ASSINSEL that the word "value" be deleted from "value judgment" in paragraph 14 of document IOM/6/2.

43. Mr. GREENGRASS (Vice Secretary-General of UPOV) explained that the word "value" bore no relationship in the particular context with value for cultivation and use. It was used as an element of legal terminology to distinguish the case concerned from an issue of fact and to indicate that, at some point, somebody, for instance a judge, would have to weigh up all the evidence and decide on the basis of an evaluation of the evidence. If an alternative word could be found, the word "value" would be replaced.

44. Mr. LANGE (ASSINSEL) replied that English was not his mother tongue and he could therefore not propose any replacement for the word "value" in English. He wished, however, to ensure that the statement should not allow of any interpretation to the effect that it referred to the economic properties of the varieties concerned.

45. Mr. ROYON (CIOPORA) stated that the concept of derivation required a genetic test, and accepted that there were various scientific tests that could be used by the plaintiff to provide evidence. However, there were cases, in view of the present state of technology, where derivation could not be established. One might therefore wonder whether the protection holder should not be able to establish a prima facie case of infringement based upon phenotypic similarities and then shift onto the alleged infringer the burden of showing that the alleged infringing variety was not derived from the protected variety. CIOPORA could not contribute much more at this stage.

46. Mr. LANGE (ASSINSEL) suggested, on the matter of the burden of proof, that had been mentioned by Mr. Royon (CIOPORA), that it be dealt with as a whole following discussion of document IOM/6/2.

Paragraph 21

58.1 Mr. Timothy ROBERTS (ASSINSEL) wished to take up the suggestion, made previously by the Delegation of ASSINSEL, that there might be a problem where varieties A and B were crossed and where breeding was conducted on the hybrid that resulted from the progeny, and eventually led to a variety that conformed to B but was distinct from it. That case raised an important theoretical question, namely whether it satisfied the legal requirements for there being dependency from B. A clear opinion had been expressed on this by Mr. Böringer (Germany). Mr. Roberts suggested, however, that the question might require more consideration. It had been his experience that smaller breeders were very concerned about the concept of dependence coming to play when they crossed A with B and ended up with progeny fairly similar to B.

58.2 There was always a need for a proper balance, Mr. Roberts observed, in intellectual property matters between a fair degree of protection for the owner of the right and clarity for third parties, so that the latter knew what they could do and what they could not. It was clear that until the Convention had been amended, the situation was out of balance and that the protection afforded to the breeder was not sufficient. But that did not mean that one should go too far the other way. Most of the examples given in the Annex to document

IOM/6/2 referred to rather special situations. For instance, somebody who undertook to insert a new gene by genetic technology into an existing variety, was clearly on notice that his work was likely to lead to a situation of dependency. But it would be very good if a breeder who crossed A and B could be reasonably confident that he would not have to face the prospect of being dependent on either variety.

58.3 Mr. Roberts wished to go a step further and to suggest that the 1991 Act could be read to say that there was no dependency in the case at issue, because the initial cross resulted in a hybrid which was clearly dependent on neither A nor B, being 50% of A and 50% of B. He suggested that the hybrid was a variety, an independent one, and hence anything derived from it could not be dependent on either A or B.

59. Mr. ROYON (CIOPORA) went along with Mr. Roberts (ASSINSEL) in stating that paragraph 21 provided a necessary and obvious clarification. However, one could not simply deduce that a variety obtained by crossing A and B would never infringe either one of the parents. Indeed, the breeder of the parent concerned could always invoke, where appropriate, application of Article 14(5)(a)(ii).

[...]

[End of Annex II and of document]