

ANNEX II

RELEVANT DISCUSSIONS ON DOCUMENT CAJ/29/2
AT THE TWENTY-NINTH AND THIRTIETH
SESSIONS OF THE CAJ

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).

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[End of Annex II]