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

Document prepared by the Office of the Union

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1. The purpose of this document is to provide information to assist the Administrative and Legal Committee Advisory Group (CAJ-AG) in the consideration of the revision of the “Explanatory Notes on Essentially Derived Varieties Under the 1991 Act of the UPOV Convention” and of relevant matters that might result from the Seminar on Essentially Derived Varieties to be held in Geneva on October 22, 2013.

2. This document is structured as follows:

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I. BACKGROUND

3. The background information concerning the development of the provisions and guidance on essentially derived varieties is provided in the Annex to this document.

II. REVISION OF THE “EXPLANATORY NOTES ON ESSENTIALLY DERIVED VARIETIES UNDER THE 1991 ACT OF THE UPOV CONVENTION”

(a) UPOV/EXN/EDV/2 Draft 3 “Explanatory Notes on Essentially Derived Varieties under the 1991 Act of the UPOV Convention”

4. The Administrative and Legal Committee (CAJ), at its sixty-seventh session, agreed that consideration of document UPOV/EXN/EDV/2 Draft 3 “Explanatory Notes on Essentially Derived Varieties under the 1991 Act of the UPOV Convention” should be postponed until after the seminar on essentially derived varieties (EDVs), proposed to be held on October 22, 2013, and the consideration of that seminar by the CAJ-AG at its eighth session, to be held on October 25, 2013. The CAJ also agreed that consideration should be given to moving paragraph 8 of document UPOV/EXN/EDV/2 Draft 3 after paragraph 4 (see document CAJ/67/14 “Report on the Conclusions”, paragraph 15).

5. *The CAJ-AG is invited to note that the CAJ agreed that:*

(a) consideration of document UPOV/EXN/EDV/2 Draft 3 “Explanatory Notes on Essentially Derived Varieties under the 1991 Act of the UPOV Convention” should be postponed until after the Seminar on Essentially Derived Varieties (EDVs), and the consideration of that seminar by the CAJ-AG at its eighth session; and

(b) consideration should be given to moving paragraph 8 of document UPOV/EXN/EDV/2 Draft 3 after paragraph 4 (see document CAJ/67/14 “Report on the Conclusions”, paragraph 15).

(b) The use of information of the initial variety to obtain essentially derived varieties

6. The CAJ, at its sixty-seventh session, noted that the Office of the Union would prepare a text on the possibility to use molecular marker data information of an initial variety to obtain essentially derived varieties for consideration by the CAJ-AG at its eighth session (see document CAJ/67/14 “Report on the Conclusions”, paragraph 20). The CAJ-AG, at its seventh session, held in Geneva on October 29 and 30, 2012, agreed that, on the basis of the text provided by the International Seed Federation (ISF) (document CAJ-AG/12/7/3, paragraph 8, reproduced below) with suitable amendments, the Office of the Union should prepare a text on the possibility to use molecular marker data information of an initial variety to obtain essentially derived varieties to be considered for by the CAJ-AG at its eighth session, to be held in October 2013.

“The collection of molecular data from the initial variety and the subsequent application of the obtained DNA profiles with the explicit intention to select for similar genotypes in a particular population, which is mostly related to the initial variety, may also be regarded as predominant derivation from the initial variety. Therefore, for the purpose of EDV assessment, “predominant derivation” may result from: i) The use of – mainly- the plant material of an initial variety for selection or (back) crossing followed by selection in the breeding process, or ii) The use of molecular marker data, collected from an initial variety, for the purpose of selection of genotypes close or similar to the genotype of the initial variety, or in the case of hybrids, close or similar to the genotype of its parent lines.”

(see document CAJ-AG/12/7/7 “Report”, paragraph 84)

7. On the above basis, the CAJ-AG is invited to consider the following proposed text for inclusion in the relevant part of the next draft of document UPOV/EXN/EDV/2:

The use of molecular data from an initial variety to select a variety with a similar genotype may result in an essentially derived variety.

8. *The CAJ-AG is invited to consider the proposed text, in paragraph 7, above, for inclusion in the relevant part of the next draft of document UPOV/EXN/EDV/2.*

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

9. The CAJ, at its sixty-seventh session, noted that the Office of the Union would prepare draft guidance on the relationship between Article 14(5)(b)(i) and (iii) of the 1991 Act of the UPOV Convention, on the basis of the explanatory note 6(ii) on Article 5 “Effects of the Right Granted to the Breeder” presented in document IOM/IV/2, for consideration by the CAJ-AG at its eighth session, to be held on October 25, 2013.

10. The CAJ-AG, at its seventh session, agreed that, on the basis of the explanatory note 6(ii) on Article 5 “Effects of the Right Granted to the Breeder” presented in document IOM/IV/2 (document CAJ-AG/12/7/3, paragraph 11, reproduced below), the Office of the Union should prepare draft guidance on the relationship between Article 14(5)(b)(i) and (iii) of the 1991 Act of the UPOV Convention for consideration by the CAJ-AG at its eighth session, to be held in October 2013.

[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)

“[...]

(see document CAJ-AG/12/7/7 “Report”, paragraph 86)

11. On the above basis, the CAJ-AG may wish to consider the following proposed text for inclusion in the relevant part of the next draft of document UPOV/EXN/EDV/2:

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).

12. The Council, at its thirtieth extraordinary session, held in Geneva on March 22, 2013, approved the organization of a seminar on essentially derived varieties (EDV Seminar) on October 22, 2013, to consider the following:

“(a) technical and legal views on “predominantly derived”, “essential characteristics” and “differences which result from the act of derivation” (see Article 14(5)(b) of the 1991 Act of the UPOV Convention), the relationship between Article 14(5)(b)(i) and (iii) of the 1991 Act of the UPOV Convention and the possible impact on breeding and agriculture;

“(b) existing experience in relation to EDVs; and

(c) the possible role of future UPOV guidance on EDVs in cases before the courts.”

(see document C(Extr.)/30/7 “Report on the Decisions”, paragraph 19)

13. The CAJ-AG may also wish to consider the discussions at the EDV Seminar, in particular “Session I: Technical and legal aspects of essentially derived varieties and the possible impact on breeding and agriculture”, with regard to the “technical and legal views on ‘predominantly derived’, ‘essential characteristics’ and ‘differences which result from the act of derivation’ (see Article 14(5)(b) of the 1991 Act of the UPOV Convention), the relationship between Article 14(5)(b)(i) and (iii) of the 1991 Act of the UPOV Convention and the possible impact on breeding and agriculture”.

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

(a) the proposed text, in paragraph 11, above, for inclusion in the relevant part of the next draft of document UPOV/EXN/EDV/2; and

(b) the discussions at the EDV Seminar, in particular “Session I: Technical and legal aspects of essentially derived varieties and the possible impact on breeding and agriculture”, with regard to the “technical and legal views on ‘predominantly derived’, ‘essential characteristics’ and ‘differences which result from the act of derivation’ (see Article 14(5)(b) of the 1991 Act of the UPOV Convention), the relationship between Article 14(5)(b)(i) and (iii) of the 1991 Act of the UPOV Convention and the possible impact on breeding and agriculture” (see document C(Extr.)/30/7 “Report on the Decisions”, paragraph 19).

(d) Matters concerning essentially derived varieties that are not granted protection in their own right

(i) *Overview*

15. At the sixty-first session of the CAJ, held in Geneva on March 25, 2010, 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

16. 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"). Annex III to document CAJ/47/8 "Report" has been posted on the CAJ-AG/13/8 section of the UPOV website).

17. The CAJ-AG noted, at its seventh session, that the representative of CIOFORA was of the opinion that, in document UPOV/EXN/EDV/2 Draft 2, there was insufficient explanation that a "non-protected" EDV fell under the scope of protection of the initial variety. He added that it would be the decision of the breeder of the initial protected variety to protect, or not to protect, the EDV itself. For the sake of market transparency, he was of the opinion that every variety which fell under the protection should have a denomination. He considered that each variety needed a denomination and a description. He noted that the above matters were not addressed in national laws, nor in the explanatory notes (see document CAJ-AG/12/7/7 "Report", paragraph 26 and comments of CIOFORA of October 4, 2012). The comments of CIOFORA are posted on the CAJ-AG/12/7 section of the UPOV website http://www.upov.int/meetings/en/details.jsp?meeting_id=26466.

18. Matters concerning essentially derived varieties that are not granted protection in their own right are presented in:

- Annex III "The Notion of Essentially Derived Varieties in the Breeding of Ornamental Varieties" to document CAJ/47/8 "Report";
- Appendix 4 "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)", Annex to document CAJ/61/8 "Matters arising after the grant of the breeder's right"; and
- Comments of CIOFORA of October 4, 2012 on the item "Explanatory Notes on Essentially Derived Varieties under the 1991 Act of the UPOV Convention (revision)" (documents CAJ-AG/12/7/3 and UPOV/EXN/EDV/2 Draft 2).

19. The matters above are considered in the following paragraphs.

(ii) *Status of essentially derived varieties that are not granted protection in their own right*

20. The CAJ-AG may wish to consider whether to develop guidance on matters raised in paragraphs 15 to 18 of this document, taking into account the guidance provided in Annex III "The Notion of Essentially Derived Varieties in the Breeding of Ornamental Varieties" to document CAJ/47/8 "Report".

21. *The CAJ-AG is invited to consider whether it would be appropriate to develop guidance on the matters raised in paragraphs 15 to 18 of this document concerning the status of essentially derived varieties that are not granted protection in their own right, taking into account the guidance provided in Annex III "The Notion of Essentially Derived Varieties in the Breeding of Ornamental Varieties" to document CAJ/47/8 "Report".*

(iii) *Variety denomination*

22. The CAJ-AG may wish to consider whether to seek to develop guidance concerning variety denominations with regard to essentially derived varieties that are not granted protection in their own right.

23. *The CAJ-AG is invited to consider whether it would be appropriate to develop guidance concerning*

variety denominations with regard to varieties that are not granted protection in their own right, on the basis of the information provided in paragraphs 15 to 18 of this document.

(iv) *Variety description*

24. The CAJ-AG may wish to consider whether to seek to develop guidance concerning variety descriptions with regard to essentially derived varieties that are not granted protection in their own right.

25. The CAJ-AG is invited to consider whether it would be appropriate to develop guidance concerning variety descriptions with regard to essentially derived varieties that are not granted protection in their own right, on the basis of the information provided in paragraphs 15 to 18 of this document.

(v) *Register*

26. The CAJ-AG may wish to consider whether to seek to develop guidance concerning a register of essentially derived varieties that are not granted protection in their own right.

27. The CAJ-AG is invited to consider whether it would be appropriate to develop guidance concerning a register of essentially derived varieties that are not granted protection in their own right, on the basis of the information provided in paragraphs 15 to 18 of this document.

(e) Presentations on systems in the members of the Union concerning essentially derived varieties

28. The CAJ, at its sixty-seventh session, noted that, at an appropriate future session of the CAJ-AG, the Delegations of Australia, Brazil and the European Union and other members of the Union would be invited to make presentations on their systems concerning essentially derived varieties (see document CAJ/67/14 "Report on the Conclusions", paragraph 17).

29. The Council, at its thirtieth extraordinary session, approved the organization of the EDV Seminar, to consider the following:

"(a) technical and legal views on "predominantly derived", "essential characteristics" and "differences which result from the act of derivation" (see Article 14(5)(b) of the 1991 Act of the UPOV Convention), the relationship between Article 14(5)(b)(i) and (iii) of the 1991 Act of the UPOV Convention and the possible impact on breeding and agriculture;

(b) existing experience in relation to EDVs; and

(c) the possible role of future UPOV guidance on EDVs in cases before the courts."

(see document C(Extr.)/30/7 "Report on the Decisions", paragraph 19)

30. The CAJ-AG may also wish to note that the EDV Seminar, in its "Session II: Experience in relation to essentially derived varieties", contains presentations on systems in the members of the Union concerning essentially derived varieties.

31. The CAJ-AG is invited to note:

(a) that at an appropriate future session of the CAJ-AG, the Delegations of Australia, Brazil and the European Union and other members of the Union would be invited to make presentations on their systems concerning essentially derived varieties; and

(b) that the EDV Seminar, in its "Session II: Experience in relation to essentially derived varieties", contains presentations on systems in the members of the Union concerning essentially derived varieties.

III. SEMINAR ON ESSENTIALLY DERIVED VARIETIES

32. The Council, at its thirtieth extraordinary session, approved the organization of the EDV Seminar, to consider the following:

"(a) technical and legal views on "predominantly derived", "essential characteristics" and "differences which result from the act of derivation" (see Article 14(5)(b) of the 1991 Act of the UPOV Convention), the relationship between Article 14(5)(b)(i) and (iii) of the 1991 Act of the UPOV Convention and the possible impact on breeding and agriculture;

"(b) existing experience in relation to EDVs; and

"(c) the possible role of future UPOV guidance on EDVs in cases before the courts."

(see document C(Extr.)/30/7 "Report on the Decisions", paragraph 19)

33. The draft program of the Seminar on Essentially Derived Varieties (document UPOV/SEM/GE/13/1) and the biographies of the speakers are available on the UPOV website at http://www.upov.int/meetings/en/topic.jsp?group_id=73.

34. The program contains the following sessions:

Session I: Technical and legal aspects of essentially derived varieties and the possible impact on breeding and agriculture (see Section II (e) of this document)

Session II: Experience in relation to essentially derived varieties (see Section II (c) of this document)

Session III: Possible role of future UPOV guidance on essentially derived varieties

35. Under Session III of the EDV Seminar the following topics will be explored:

(i) experiences on the role of "soft law"/guidance in different jurisdictions and in relation to other subject matters; and

(ii) the potential of alternative dispute settlement mechanisms as a tool for building guidance resulting from award/expert determination EDV cases.

36. The CAJ-AG is invited to note that the CAJ, at its sixty-eighth session to be held in Geneva on October 21, 2013, will be invited to request the CAJ-AG to consider the conclusions of the EDV Seminar on in relation to its work on future guidance concerning essentially derived varieties (see document CAJ/68/2 "Development of information materials under the UPOV Convention", paragraph 21).

37. *The CAJ-AG is invited to note that:*

(a) under Session III of the EDV Seminar "Possible role of future UPOV guidance on essentially derived varieties" the following topics will be explored:

(i) experiences on the role of "soft law"/guidance in different jurisdictions and in relation to other subject matters; and

(ii) the potential of alternative dispute settlement mechanisms as a tool for building guidance resulting from award/expert determination EDV cases; and

(b) the CAJ, at its sixty-eighth session to be held in Geneva on October 21, 2013, will be invited to request the CAJ-AG to consider the conclusions of the Seminar on Essentially Derived Varieties in relation to its work on future guidance concerning essentially derived varieties.

[Annex follows]

ANNEX

BACKGROUND

1. The following paragraphs provide a summary of the background information concerning the development of the provisions and guidance on essentially derived varieties:

(a) 1986-1991: Preparatory work for the 1991 Diplomatic Conference for the Revision of the International Convention for the Protection of New Varieties of Plants (Diplomatic Conference);

(b) the 1991 Diplomatic Conference;

(c) 1991- 2003 the development of guidance on essentially derived varieties after the Diplomatic Conference;

(d) 2005-2008: the development and adoption of UPOV/EXN/EDV/1 “Explanatory Notes on Essentially Derived Varieties under the 1991 Act of the UPOV Convention”;

(e) 2008-2012: the work of the CAJ-AG for the development of further guidance on essentially derived varieties; and

(f) the Seminar on Essentially Derived Varieties to be held in Geneva on October 22, 2013.

(a) 1986-1991: Preparatory work for the 1991 Diplomatic Conference for the Revision of the International Convention for the Protection of New Varieties of Plants (Diplomatic Conference)

2. One of the most important amendments of the UPOV Convention when it was revised in 1991 was the introduction of the concept of essential derivation. The Administrative and Legal Committee (CAJ) started discussions in 1986 and several meetings were organized with international organizations (IOM Meetings).

3. 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) The 1991 Diplomatic Conference

4. The Diplomatic Conference adopted the following text:

“Article 14

Scope of the Breeder's Right

[.....]

(5) [*Essentially derived and certain other varieties*] (a) The provisions of paragraphs (1) to (4)* shall also apply in relation to

(i) varieties which are essentially derived from the protected variety, where the protected variety is not itself an essentially derived variety,

(ii) varieties which are not clearly distinguishable in accordance with Article 7 from the protected variety and

(iii) varieties whose production requires the repeated use of the protected variety.

(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.

(c) Essentially derived varieties may be obtained for example by the selection of a natural or induced mutant, or of a somaclonal variant, the selection of a variant individual from plants of the initial variety, backcrossing, or transformation by genetic engineering.”

5. 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.”

6. 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).

7. 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.”

(c) 1991-2003 the development of guidance on essentially derived varieties after the Diplomatic Conference

8. Following the “Resolution on Article 14(5)” adopted at the Diplomatic Conference, document CAJ/29/2 “Guidelines Relating to Essentially Derived Varieties” (guidelines) was prepared by the Office of the Union. The guidelines were considered by the Administrative and Legal Committee (CAJ) at its twenty-ninth session, held in Geneva on October 21 and 22, 1991, and at its thirtieth session, held in Geneva on April 8 and 9, 1992. At both sessions the CAJ considered the importance of involving breeders in the development of the guidelines.

9. 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:

Dependency - Art 14(5)(a)(i)

“7. ‘Where the protected variety is not itself an essentially derived variety’ (Article 14(5)(a)(i)): The underlined words relate to a situation where, for example, Variety C is essentially derived from Variety B which is in turn essentially derived from Variety A. The words make clear that Variety C does not fall within the scope of the protection of Variety B; the words are not intended and should not be interpreted to require the rights’ holder to positively prove that the protected variety is not itself an essentially derived variety before he is able to exercise the rights conferred by Article 14(5)(a)(i). The words provide an opportunity for the breeder of an alleged ‘essentially derived variety’ to show that the initial variety is itself an essentially derived variety.”

Derivation - Art 14(5)(b)(i):

“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.

Distinct - Art 14(5)(b)(ii)

“11. ‘(ii) it is clearly distinguishable from the initial variety’ Article 14(5)(b)(ii): These words establish that essential derivation is concerned only with varieties that are clearly distinguishable from the initial variety and which are accordingly protectable independently from the initial variety.”

Conformity - Art 14(5)(b)(iii)

“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.”

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.”

“[...]

The Question of the Degree of Similarity

“19. A judgment on the question of the degree of similarity must be reached on the basis of the essential characteristics which result from the genotype. ‘Essential’ has the meanings ‘fundamental’ or ‘indispensable.’ The language finally adopted in Article 14(5)(iii) replaced Article 14(2)(b)(iii) in the Basic Proposal considered by the Diplomatic Conference. Article 14(2)(b)(iii) of the Basic Proposal provided that the essentially derived variety must ‘conform to the genotype or combination of genotypes of the initial variety ...’. This language was initially replaced by the adoption by the Conference of the proposal of Japan contained in document DC/91/66 which proposed that Article 14(2)(b)(iii) of the Basic Proposal be reworded to read:

‘(iii) the characteristics that are the expression of its genotype or its combination of genotypes conform to those of the initial variety apart from the differences which result from the method of derivation.’

It suggested that Article 14(2)(b)(iii) of the Basic Proposal and the Japanese proposal which replaced it called for the degree of similarity between varieties to be assessed on the basis of the characteristics taken in isolation. The language of the Japanese proposal was subsequently amended by the Drafting Committee but it is suggested that no change in substance was intended. It is suggested that it should not be possible to conclude that a derived variety does not attain the necessary degree of similarity simply because it does not express one single characteristic (perhaps very simply inherited) taken in isolation.

“20. Taken individually the characteristics that are ‘essential’ would vary from species to species, from variety to variety, and even from member State to member State. It is clearly not desirable that decisions on whether a variety is or is not essentially derived should be taken differently in UPOV member States.”

"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."

10. Examples of possible essential derivation were set out in the Annex of document IOM/6/2.
11. 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 document CAJ-AG/12/7/3.
12. Copies of documents IOM/6/2 "Essentially Derived Varieties" and IOM/6/5 "Report" in the four languages of the Office of the Union are posted, as reference documents, on the CAJ-AG/13/8 section of the UPOV website.

Status of the 1992 draft Guidelines Relating to Essentially Derived Varieties

13. 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."

CAJ document "The Notion of Essentially Derived Varieties in the Breeding of Ornamental Varieties" of 2003

14. In response to a request from the Technical Committee to consider the possibility that a breeder who develops an "improved form" of his own protected variety would, under the provisions of the 1991 Act of the UPOV Convention, have protection for his "improved form," if it was considered to be an essentially derived variety, the CAJ, at its forty-seventh session, held in Geneva on April 10, 2003, approved the substance of document CAJ/46/7 "The Notion of Essentially Derived Varieties in the Breeding of Ornamental Varieties". The amended version of document CAJ/46/7, as approved by the CAJ, appears in Annex III to document CAJ/47/8 "Report" (see document CAJ/47/8 "Report" , paragraph 38) (Annex III to document CAJ/47/8 "Report" has been posted, as reference document, on the CAJ-AG/13/8 section of the UPOV website).

- (d) 2005-2008: the development and adoption of UPOV/EXN/EDV/1 "Explanatory Notes on Essentially Derived Varieties under the 1991 Act of the UPOV Convention"

15. The CAJ, at its fifty-second session, held in Geneva on October 24, 2005, agreed an approach for the preparation of information materials, concerning the UPOV Convention, as explained in document CAJ/52/4, paragraphs 8 to 10. It also agreed to the establishment of an advisory group to the CAJ (CAJ-AG) to assist in the preparation of documents concerning such materials, as proposed in document CAJ/52/4, paragraphs 11 to 14 (see document CAJ/52/5 "Report", paragraph 67).

16. Following the discussions at the CAJ-AG on essentially derived varieties, the CAJ at its fifty-fifth session, held on March 29, 2007, endorsed the explanation that “there was no requirement for an initial variety to be protected in order to be considered an initial variety”. (see document CAJ/55/7 “Report”, paragraph 54).

17. The CAJ, at its fifty-eighth session, held in Geneva on October 27 and 28, 2008, approved document UPOV/EXN/EDV Draft 2 “Explanatory Notes on Essentially Derived Varieties under the 1991 Act of the UPOV Convention” (see document CAJ/58/7 “Report”, paragraph 58). The Council, at its forty-third ordinary session, held in Geneva on October 22, 2009, adopted UPOV/EXN/EDV/1 “Explanatory Notes on Essentially Derived Varieties under the 1991 Act of the UPOV Convention” (see document C/43/17 “Report”, paragraph 23).

18. The CAJ, at its fifty-eighth session, requested the CAJ-AG to consider the comments received from CIOPORA and ISF on document UPOV/EXN/EDV Draft 2, with a view to proposing revisions of the explanatory notes on essentially derived varieties, as considered appropriate. As a first step, it was agreed that CIOPORA and ISF should be invited to participate at the third session of the CAJ-AG, held in Geneva on October 28, 2008 in order to discuss how to proceed with that process in a timely and effective way (see document CAJ/58/7 “Report”, paragraph 62).

(e) 2008-2012: the work of the CAJ-AG for the development of further guidance on essentially derived varieties

(i) *Proposal of CIOPORA to explain that all of the varieties belonging to one of the examples in Article 14(5)(c) of the 1991 Act (e.g. mutants) might be essentially derived varieties*

19. The CAJ-AG, at its third session, held in Geneva on October 28, 2008, concluded that, on the basis of the wording in the Convention, it would not be appropriate to accept the proposal of CIOPORA “to explain that all of the varieties belonging to one of the examples in Article 14(5)(c) of the 1991 Act (e.g. mutants) might be essentially derived varieties” (see document CAJ-AG/08/3/4 “Report”, paragraph 10).

(ii) *Request of CIOPORA to clarify the relationship between Article 14(5)(b)(i) and (iii) of the 1991 Act*

20. The CAJ-AG, at its third session, concluded that it would be useful, as a first step, to gather information on the preparatory work concerning the provisions in Article 14(5)(b) prior to the Diplomatic Conference of 1991. Particular reference was made to explanatory note 6(ii) of document IOM/IV/2:

“(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)”

(see document CAJ-AG/08/3/4 “Report”, paragraph 12)

21. The relationship between Article 14(5)(b)(i) and (iii) of the 1991 Act is a matter under discussion in the CAJ-AG.

(iii) *Request of ISF to insert a Variety “D” into the scheme of indirect derivation*

22. The CAJ-AG, at its third session, agreed that the Office of the Union should prepare a draft guidance document on the situation with regard to variety “D”, for consideration by the CAJ-AG at its fourth session (document CAJ-AG/08/3/4 “Report”, paragraph 15).

23. The representative of ISF requested the CAJ-AG, at its fifth session, held in Geneva on October 18, 2010, 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).

24. The CAJ-AG, at its sixth session, held in Geneva on October 18, 2011, agreed that the explanation on “Predominant derivation – use of information” made by ISF during its power point presentation be provided to the Office of the Union for consideration by the CAJ-AG at its seventh session, in October 2012 (see

document CAJ-AG/11/6/7 "Report", paragraph 21). The use of information of the initial variety to obtain essentially derived varieties is a matter under discussion in the CAJ-AG.

(iv) Possible further guidance on essentially derived varieties

25. The CAJ-AG, at its sixth session, held in Geneva On October 18, 2011, concluded that it would be appropriate to continue to consider whether to develop further guidance on the concept of EDV in a future revision of document UPOV/EXN/EDV "Explanatory Notes on Essentially Derived Varieties Under the 1991 Act of the UPOV Convention". It agreed that consideration should be given to including an explanation of the relationship between the provisions of Article 14(5)(b)(i) and (iii) of the 1991 Act of the UPOV Convention and the issues raised by the Delegation of Japan with regard to the exercise of plant breeders' rights in relation to essentially derived varieties (see document CAJ-AG/11/6/3, paragraphs 30 and 31). It agreed that the 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" should be considered with regard to guidance on the concept of EDV (see document CAJ-AG/11/6/7 "Report", paragraph 19).

26. As a first step, the CAJ-AG, at its sixth session, agreed that information on the systems in the European Union and Australia for essentially derived varieties and other relevant examples be provided to the Office of the Union for presentation to the CAJ-AG at its seventh session in October 2012 (see document CAJ-AG/11/6/7 "Report", paragraph 20).

27. The CAJ-AG noted, at its seventh session, that the representative of CIOPORA was of the opinion that, in document UPOV/EXN/EDV/2 Draft 2, there was insufficient explanation that a "non-protected" EDV fell under the scope of protection of the initial variety. He added that it would be the decision of the breeder of the initial protected variety to protect, or not to protect, the EDV itself. For the sake of market transparency, he was of the opinion that every variety which fell under the protection should have a denomination. He considered that each variety needed a denomination and a description. He noted that the above matters were not addressed in national laws, nor in the explanatory notes (see document CAJ-AG/12/7/7 "Report", paragraph 26).

28. The CAJ-AG noted the presentation by the Delegation of the European Union made to the CAJ-AG at its seventh session and the information provided in document CAJ-AG/12/7/3, Annex III (see document CAJ-AG/12/7/7 "Report", paragraph 87).

29. The CAJ, at its sixty-seventh session, noted that, at an appropriate future session of the CAJ-AG, the Delegations of Australia, Brazil and the European Union and other members of the Union would be invited to make presentations on their systems concerning essentially derived varieties (see document CAJ/67/14 "Report on the Conclusions", paragraph 17).

(f) Seminar on Essentially Derived Varieties to be held in Geneva on October 22, 2013

30. To further assist the CAJ-AG in preparing draft guidance on essentially derived varieties, the CAJ agreed to propose to the Council that a seminar on essentially derived varieties (EDVs) be organized on October 22, 2013 (see document CAJ/67/14 "Report on the Conclusions", paragraph 17).

31. The Council, at its thirtieth extraordinary session, held in Geneva on March 22, 2013, approved the organization of a seminar on essentially derived varieties (EDVs) on October 22, 2013, to consider the following:

(a) technical and legal views on "predominantly derived", "essential characteristics" and "differences which result from the act of derivation" (see Article 14(5)(b) of the 1991 Act of the UPOV Convention), the relationship between Article 14(5)(b)(i) and (iii) of the 1991 Act of the UPOV Convention and the possible impact on breeding and agriculture;

(b) existing experience in relation to EDVs; and

(c) the possible role of future UPOV guidance on EDVs in cases before the courts.

(see document C(Extr.)/30/7 "Report on the Decisions", paragraph 19)

32. With regard to the possible impact on breeding and agriculture, the Council, at its thirtieth extraordinary session, agreed that the seminar should include the perspective of farmer-breeders. It further agreed that the program for the seminar and the speakers should be agreed between the Office of the Union and the Chair and Vice-Chair of the CAJ, and the President of the Council. The Council agreed that the seminar should be open to the public, subject to reservation of sufficient space for members and observers, with the presentations and discussions at the seminar being made available on the UPOV website after a suitable broadcast delay (see document C(Extr.)/30/7 "Report on the Decisions", paragraph 20).

33. The draft program of the Seminar on Essentially Derived Varieties (document UPOV/SEM/GE/13/1) and the biographies of the speakers are available on the UPOV website at http://www.upov.int/meetings/en/topic.jsp?group_id=73.

[End of Annex and of document]