



CAJ-AG/13/8/4

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INTERNATIONAL UNION FOR THE PROTECTION OF NEW VARIETIES OF PLANTS

Geneva

ADMINISTRATIVE AND LEGAL COMMITTEE ADVISORY GROUP**Eighth Session
Geneva, October 25, 2013****MATTERS CONCERNING CANCELLATION OF THE BREEDER'S RIGHT***Document prepared by the Office of the Union**Disclaimer: this document does not represent UPOV policies or guidance*

1. The Administrative and Legal Committee Advisory Group (CAJ-AG), at its seventh session, held in Geneva, on October 29 and 30, 2012, considered that it would be appropriate to develop further guidance in a separate document for the matters covered in document CAJ-AG/11/6/4 "Matters Arising after the Grant of a Breeder's Right" concerning cancellation of the breeder's right (see CAJ-AG/12/7/7 "Report", paragraph 90).

BACKGROUND

2. The provisions on the cancellation of the breeder's right contained in Article 22 of the 1991 Act of the UPOV Convention and Article 10(2) to (4) of the 1978 Act of the UPOV Convention are reproduced below:

1991 Act of the UPOV Convention**Article 22****Cancellation of the Breeder's Right**

(1) *[Reasons for cancellation]* (a) Each Contracting Party may cancel a breeder's right granted by it if it is established that the conditions laid down in Articles 8 or 9 are no longer fulfilled.

(b) Furthermore, each Contracting Party may cancel a breeder's right granted by it if, after being requested to do so and within a prescribed period,

(i) the breeder does not provide the authority with the information, documents or material deemed necessary for verifying the maintenance of the variety,

(ii) the breeder fails to pay such fees as may be payable to keep his right in force, or

(iii) the breeder does not propose, where the denomination of the variety is cancelled after the grant of the right, another suitable denomination.

(2) *[Exclusion of other reasons]* No breeder's right shall be cancelled for reasons other than those referred to in paragraph (1).

3. Guidance on cancellation of the breeder's right is currently provided in document UPOV/EXN/CAN/1 "Explanatory Notes on the Cancellation of the Breeder's Right under the UPOV Convention".

MATTERS FOR CONSIDERATION

Overview

4. The CAJ-AG, at its seventh session, considered that it would be appropriate to develop further guidance in a separate document for the matters covered in document CAJ-AG/11/6/4 "Matters Arising after the Grant of a Breeder's Right" concerning cancellation of the breeder's right (see CAJ-AG/12/7/7 "Report", paragraph 90).

5. Matters with regard to cancellation were presented in the following parts of document CAJ-AG/11/6/4, Annex I:

- (a) Appendix 1 (Contribution from Argentina), Case 1 (reproduced as Annex I to this document);
- (b) Appendix 1 (Contribution from Argentina), Case 2 (reproduced as Annex II to this document);
- (c) Appendix 2 (Contribution from Brazil), Section 2) (reproduced as Annex III to this document);
- (d) Appendix 3 (Contribution from the European Union) (reproduced as Annex IV to this document);
- and
- (e) Appendix 5 (Contribution from the Netherlands) (reproduced as Annex V to this document).

6. The following matters, reproduced from document CAJ/60/8 "Matters arising after the grant of a breeders' right", paragraph 8, were also presented in document CAJ-AG/11/6/4:

"b) Matters concerning stability

Example:

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

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

"Option" to cancel a breeder's right

8. Document UPOV/EXN/CAN/1 explains that, "[u]nder the 1991 Act of the UPOV Convention, if the reasons for cancellation apply, the competent authority 'may' cancel the breeder's right, i.e. there is no automatic obligation to cancel. Subject to applicable legislation, the competent authority may take into account the particular circumstances and may decide to cancel a breeder's right or may, for example, provide additional time to remedy the situation."

9. The CAJ-AG may wish to consider the development of guidance in relation to the reasons provided by the Netherlands for not providing the possibility for cancellation of a breeder's right (see Annex V to this document):

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

"a. In many cases (in particular in the case of lack of homogeneity) the breeder may be able to correct the situation.

"b. Lack of stability occurring after the grant of the PBR may result in a variety that does not comply with the description of the protected variety. If (and as long as) the variety is not in conformity with its description, the object of that particular PBR has disappeared, meaning that the holder of the right cannot exercise his PBR in relation to the variety for which that right was granted.

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

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

10. The CAJ-AG is invited to consider the development of guidance on reasons for possibly not cancelling a breeder's right.

Responsible authority

11. The CAJ-AG may wish to consider the development of guidance to explain that it is a matter for the member of the Union concerned to decide which authority is competent to decide on cancellations (see Annex IV to this document).

12. The CAJ-AG is invited to consider the development of guidance to explain that it is a matter for the member of the Union concerned to decide which authority is competent to decide on cancellations.

Initiation of cancellation proceedings

13. The CAJ-AG may wish to consider the development of guidance to explain that cancellation proceedings may be initiated by a request from a third party or *ex officio* by the competent authority of the member of the Union concerned (see Annex IV to this document).

14. The CAJ-AG is invited to consider the development of guidance to explain that cancellation proceedings may be initiated by a request from a third party or ex officio by the competent authority of the member of the Union concerned.

Verifying the maintenance of the variety

15. Annexes I, II and III to this document provide examples of cases in which members of the Union have considered the cancellation of a breeder's right on the basis of information, documents or material provided by the breeder for verifying the maintenance of the variety. In that regard, the CAJ-AG may wish to consider the development of guidance according to the aspects raised by the European Union in Annex IV to this document:

“If the Uniformity or Stability requirement is being questioned, it may be necessary to make a technical verification. In order for the examination office to be able to compare the results of a technical verification for Stability purposes with the plant material once protected, it is important that the authority keeps plant material of protected varieties in a living reference collection, or, that documents such as the variety description, photos of the variety from the DUS test, notes from the field test etc .. are kept by the authority.”

16. Annex IV to this document also states that “It is also important that authorities reflect on how to deal with cases when the variety was DUS-tested for the purpose of protection under one Guideline, and was tested for the purpose of a technical verification under an updated Guideline.”. In that regard, the CAJ-AG may wish to consider that matter in relation to document CAJ-AG/13/8/7 “Matters concerning Variety Descriptions”.

17. The CAJ-AG is invited to consider the development of:

(a) guidance on the use of information, documents or material provided by the breeder for verifying the maintenance of the variety, as set out in paragraph 15 of this document; and

(b) guidance on the use of Test Guidelines for verifying the maintenance of the variety that are different from the Test Guidelines used for the examination of Distinctness, Uniformity and Stability ("DUS"), in relation to document CAJ-AG/13/8/7 "Matters concerning Variety Descriptions".

[Annexes follow]

CONTRIBUTION FROM ARGENTINA

2010 – YEAR OF THE BICENTENARY OF THE MAY REVOLUTION



Ministry of Agriculture, Livestock and Fisheries
National Seed Institute

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

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

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

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

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

◆ CASE 1: Inbred sunflower line

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

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

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

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

[...]

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

[Annex II follows]

CONTRIBUTION FROM ARGENTINA



2010 – YEAR OF THE BICENTENARY OF THE MAY REVOLUTION”

Ministry of Agriculture, Livestock and Fisheries
National Seed Institute

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

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

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

[...]

◆ CASE 2: Soybean varieties

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

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

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

[...]

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

[Annex III follows]

ANNEX III

CONTRIBUTION FROM BRAZIL



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

January 31st, 2010

Mr. Rolf Jordens
Vice Secretary-General of UPOV

Dear Sir,

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

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

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

[...]

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

"Art. 42. The title shall be administratively canceled *ex officio* or on request of any person with legitimate concern, in any of the following cases:
I - due to loss of homogeneity or of stability;
II - due to failure to effect payment of the respective annuity;
III - due to failure to comply with the requirements of Article 49;
IV - due to failure to submit a live sample, as established in Article 22;
V - due to evidence that the plant variety has caused, after commercialization thereof, an unfavorable negative impact on the environment or human health.(sic)"

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

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

Sincerely,

DANIELA AVIANI
Coordinator of National Plant Variety Protection Service

[Annex IV follows]

CONTRIBUTION FROM THE EUROPEAN UNION

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

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

Dear Mr. Jördens,

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

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

[...]

Cancellation

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

[...]

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

[Annex V follows]

CONTRIBUTION FROM THE NETHERLANDS

Matters arising after the grant of the breeder's right

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

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

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

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

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

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

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

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

[End of Annex V and of document]