



UPOV/EXN/NUL/2 Draft 1

ORIGINAL: English

DATE: May 20, 2014

INTERNATIONAL UNION FOR THE PROTECTION OF NEW VARIETIES OF PLANTS

Geneva

DRAFT

EXPLANATORY NOTES ON THE NULLITY OF THE BREEDER'S RIGHT UNDER THE UPOV CONVENTION

Document prepared by the Office of the Union

*to be considered by the Administrative and Legal Committee Advisory Group
by correspondence*

Disclaimer: this document does not represent UPOV policies or guidance

Note for Draft version

Strikethrough (highlighted) indicates deletion from the text of document UPOV/EXN/NUL/1.

Underlining (highlighted) indicates insertion to the text of document UPOV/EXN/NUL/1.

Endnotes provide background information when considering the draft version, not to be retained in the approved version of the document.

Footnotes to be retained in the published version of the document.

| | |
|--|---|
| EXPLANATORY NOTES ON THE NULLITY OF THE BREEDER'S RIGHT UNDER THE UPOV CONVENTION | 3 |
| <i>PREAMBLE</i> | 3 |
| <i>SECTION I: PROVISIONS ON THE NULLITY OF THE BREEDER'S RIGHT</i> | 4 |
| <i>SECTION II: CERTAIN ASPECTS OF THE PROVISIONS ON THE NULLITY OF THE BREEDER'S RIGHT</i> | 5 |

EXPLANATORY NOTES ON THE NULLITY OF THE BREEDER'S RIGHT
UNDER THE UPOV CONVENTION

PREAMBLE

1. The purpose of these Explanatory Notes is to provide guidance on the "Nullity of the Breeder's Right" under the International Convention for the Protection of New Varieties of Plants (UPOV Convention). The only binding obligations on members of the Union are those contained in the text of the UPOV Convention itself, and these Explanatory Notes must not be interpreted in a way that is inconsistent with the relevant Act for the member of the Union concerned.

2. Section II provides guidance on certain aspects of the provisions on the nullity of the breeder's right contained in Article 21 of the 1991 Act of the UPOV Convention and Article 10(1) and (4) of the 1978 Act of the UPOV Convention.

SECTION I: PROVISIONS ON THE NULLITY OF THE BREEDER'S RIGHT

3. The provisions on the nullity of the breeder's right contained in Article 21 of the 1991 Act of the UPOV Convention and Article 10 (1) and (4) of the 1978 Act of the UPOV Convention are reproduced below:

Article 21 of the **1991 Act** of the UPOV Convention

Article 21

Nullity of the Breeder's Right

(1) [*Reasons of nullity*] Each Contracting Party shall declare a breeder's right granted by it null and void when it is established

(i) that the conditions laid down in Articles 6 or 7 were not complied with at the time of the grant of the breeder's right,

(ii) that, where the grant of the breeder's right has been essentially based upon information and documents furnished by the breeder, the conditions laid down in Articles 8 or 9 were not complied with at the time of the grant of the breeder's right,^[1] or

(iii) that the breeder's right has been granted to a person who is not entitled to it, unless it is transferred to the person who is so entitled.^[2]

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

Article 10 of the **1978 Act** of the UPOV Convention

Article 10

Nullity [and Forfeiture] of the Rights Protected

(1) The right of the breeder shall be declared null and void, in accordance with the provisions of the national law of each member State of the Union, if it is established that the conditions laid down in Article 6(1)(a) and (b) were not effectively complied with at the time when the title of protection was issued.

[...]^[3]

(4) The right of the breeder may not be annulled [or become forfeit] except on the grounds set out in this Article.

¹ There is no corresponding provision to Article 21(1)(ii) of the 1991 Act in the 1978 Act.

² There is no corresponding provision to Article 21(1)(iii) of the 1991 Act in the 1978 Act.

³ Provisions in paragraphs 2 and 3 of Article 10 of the 1978 Act concern the forfeiture of the rights protected (see Explanatory Notes on the Cancellation of the Breeder's Right under the UPOV Convention (document [UPOV/EXN/CAN/1](#))).

SECTION II: CERTAIN ASPECTS OF THE PROVISIONS ON THE NULLITY OF THE BREEDER'S RIGHT¹

5.4. The use of the word "shall" clarifies that the competent authority must declare the breeder's right null and void if the criteria set out in Article 21(1) of the 1991 Act of the UPOV Convention and Article 10(1) of the 1978 Act of the UPOV Convention are met.

4.5. When a breeder's right is declared null and void, it is equivalent to pronouncing that it was an invalid right and should not have been granted in the first instance. ~~In~~ By contrast, a breeder's right which is cancelled was valid until the date of cancellation and was, in particular, valid at the time of granting (see Explanatory Notes on the Cancellation of the Breeder's Right under the UPOV Convention (document [UPOV/EXN/CAN/1](#))).

Nullity proceedings and decisions

6. Nullity proceedings may be initiated in response to a request made by a third party, or *ex officio* by the competent authority of the member of the Union concerned.ⁱⁱ

7. The authority, or authorities, with competence to decide on matters concerning nullity of breeders' rights (e.g. authorities granting breeders' rights, judicial authorities) will be determined by the relevant legislation of the member of the Union concerned. The relevant legislation might, in addition to the legislation governing breeders' rights, include other legislation on substantive and procedural matters (e.g. civil legislation, criminal legislation).ⁱⁱⁱ

8. The UPOV Convention requires that the nullity of breeders' rights be published (see Article 30(1)(iii) of the 1991 Act and Article 30(1)(c) of the 1978 Act.).

Retroactive effects

9. The retroactive effects of nullity may vary in practice. In some cases, such as in cases of fraud or wilful abusive acts by the holder of the breeder's right, reimbursement of royalties paid and/or other remedies may apply.^{iv} In some other cases, reimbursement of royalties received by the holder of the breeder's right may not be applicable.^v

i The Administrative and Legal Committee Advisory Group (CAJ-AG), at its eighth session, held in Geneva on October 21 and 25, 2013, considered document [CAJ-AG/13/8/5](#) "Matters concerning nullity of the breeder's right" and agreed to the development of guidance on nullity of the breeder's right (see document CAJ AG/13/8/10 "Report", paragraphs 65 to 68).

ii "The CAJ-AG agreed to the development of guidance to explain that nullity proceedings might result from a request from a third party or ex officio by the competent authority of the member of the Union concerned." (see document CAJ AG/13/8/10 "Report", paragraph 67).

iii "The CAJ-AG agreed to the development of guidance to explain that it was a matter for the member of the Union concerned to decide which authority was competent to decide on nullity of breeders' rights" (see document CAJ AG/13/8/10 "Report", paragraph 66).

iv "The CAJ-AG agreed to the development of guidance to explain measures that might result from a decision on nullity, as set out in paragraph 15 of document CAJ-AG/13/8/5" (see document CAJ AG/13/8/10 "Report", paragraph 68).

Document [CAJ-AG/13/8/5](#) "Matters concerning nullity of the breeder's right", paragraph 15, provides as follows:

"Effect of Nullity

"15. Annexes II and III to this document [document CAJ-AG/13/8/5] refer to an example of a case in South Africa in which a decision to declare a breeder's right null and void resulted in a requirement for the 'PBR holder' to pay back 'illegal royalties'. The CAJ-AG may wish to consider the development of guidance to explain that such measures might result from a decision on nullity."

Document CAJ-AG/13/8/5, Annex II "Contribution from South Africa" provides as follows:

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

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

v The Model Law on the Protection of New Varieties of Plants (1996) states as follows:

"Commentary on Article 22 [Nullity]

"22.2 The result of nullity is that the breeder's right is deemed never to have been granted. In principle, therefore, nullity has a retroactive effect. The situation may be more complex in practice, however. Any person who has concluded a licensing agreement will certainly have had to pay royalties, but he will also have benefited from exclusive exploitation under the breeder's right granted by mistake. In this connection, reference may be made to the statute and case law applicable to patents. According to the circumstances, this aspect may be left out of the law (as it is in the Model Law), more detailed rules may be laid down or a reference to patent law may be made."

Note from the Office:

Case law applicable to patents tends to avoid retroactive effects on licenses agreements in general and for reimbursement of royalties, in particular (see <http://ipr2.org/document-centre/document.php?id=360> and <http://lawdigitalcommons.bc.edu/cgi/viewcontent.cgi?article=1378&context=bclr>).

[End of document]