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In English only

UPOV

IOM/IV/7
ORIGINAL: English
DATE: October 3, 1989

INTERNATIONAL UNION FOR THE PROTECTION OF NEW VARIETIES OF PLANTS

GENEVA

FOURTH MEETING WITH INTERNATIONAL ORGANIZATIONS

Geneva, October 9 and 10, 1989

COMMENTS FROM CIOPORA

Document prepared by the Office of the Union

The annex to this document contains the comments from the International Community of Breeders of Asexually Reproduced Ornamental and Fruit-Tree Varieties (CIOPORA) on the revision of the Convention. They were transmitted to the Office of the Union by telefax on October 2, 1989.

[Annex follows]

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[Original: English]

ANNEX

REVISION OF THE UPOV CONVENTION

COMMENTS AND PROPOSALS OF CIOPORA

RELATING TO UPOV DOCUMENT IOM/IV/2 OF JUNE 22, 1989

INTRODUCTION

These Comments and Proposals of CIOPORA are an update of the former Comments and Proposals already made on March 7 1989 concerning UPOV Document CAJ XXIII/2 of July 13, 1988 and of those made on May 22, 1989 and relating to Document CAJ XXIV/2 of February 27, 1989. Except where specifically amended by this updated Position Paper, the former Comments and Proposals as above mentioned continue to reflect the present views of CIOPORA on the Revision of the UPOV Convention. They may be repeated herunder in order to make this document more complete and to spare to readers the inconvenience of having to refer to several separate documents.

CIOPORA agrees with the objectives enumerated under note 5, page 2 of IOM/IV/2. However it wishes to stress again that it attaches paramount importance to the following principles:

- not only must the scope of the rights now granted to plant breeders by the present UPOV Convention be dramatically extended and strengthened but complete freedom should be left to present and future Member States of the UPOV Convention to implement its principles either by specific breeders' rights or by patents;

- recent history has shown that future developments in the technological field relating to living matter are difficult to predict. Consequently, apart from basic binding provisions relating to the scope of the right granted to a breeder on his variety, other provisions of the UPOV Convention could leave more elbow room to the Member States. Such a flexible approach would probably gain more international recognition for UPOV as regards the protection of varieties and pave the way for a smoother interface between the generic protection of the results of biotechnological research and the protection of traditional plant breeding at the variety level.

ARTICLE 1 (new) of IOM / IV/2

CIOPORA reiterates its former comments of May 22, 1989 (see pages 2, 3 and 4 of that documentfor more details):

- the term "double protection" is improper;
- what breeders wish is the possibility (for member States and applicants) of an optional choice between patents and breeders' rights like in the USA. In Europe CIOPORA considers that the principle of the patentability of "living matter" which is receiving wider recognition should suffer no exception and that the exclusion mentioned in the European patent Convention (art. 53b) must eventually be removed.

CIOPORA therefore agrees upon the proposed new text **EXCEPT** the second sentence of the proposed second paragraph ("Subject to ... varieties as such") which should be erased.

CIOPORA suggests the following wording for Article 1 :

(1) The States parties to this Convention (hereinafter referred to as "the member States of the Union") constitute a Union for the Protection of New Varieties of Plants.

(2) The member States of the Union undertake to recognise and to ensure a right to the breeder of a new plant variety as provided for in this Convention by the grant either of a "sui generis" breeders' rights certificate or of another title of protection.

Article 1 of the revised Convention should be supplemented with a new Article 37, substantially revised in order to give the opportunity to all member States to provide patent rights for plants and to apply their patent law provisions if necessary, along the lines suggested by CIOPORA in its Comments dated May 22, 1989, page 4.

ARTICLE 2 of IOM/IV/2

- CIOPORA believes that the term "title of protection", which could cover different kinds of titles (breeder's right certificate, plant patent, utility patent... according to the wishes and possibilities of various member countries) applying to a variety is preferrable to the term "right" which is too generic and can also be found with different meanings in the text of the Convention. Also the phrase "grant of right", which is used throughout the proposed revised Convention in IOM/IV/2, seems less adequate (especially in the French text: "concession de droit" which is the language normally used for the licensing of rights by the owner of the title of protection) than "grant of title of protection" ("délivrance de titre de protection").

- CIOPORA suggests the following definition for "material" under Article 2 (iv) :

> " "material" shall mean any plant or part of plant, whatever its botanical or commercial function. The term shall include cut flowers, fruit and seeds. "

ARTICLE 3 of IOM/IV/2

CIOPORA has for many years past supported the principle of national treatment and therefore agrees with the proposed modification. However it insists that limitations or exceptions to the application of the Convention, like those appearing under Article 2(2) of the present Convention and Article 5(4) (proposed) be deleted.

ARTICLE 4 of IOM/IV/2

- Please refer to CIOPORA's Comments dated May 22,1989 and relating to CAJ/XXIV/2.

- Provided the proposals of CIOPORA for Article 1 are retained, CIOPORA would suggest the following wording for Article 4 :

> "This Convention shall be applied to all new plant varieties irrespective of the plant species to which they belong."

- Paragraph (2) as proposed by IOM/IV/2 must be deleted since it completely erodes the progress achieved through the

new wording of paragraph (1) of Article 4.

ARTICLE 5 of IOM/IV/2

Of course CIOPORA generally welcomes the improvements brought by UPOV in the new draft. However CIOPORA wishes to stress again with strength that the scope of protection granted to a variety under the UPOV Convention must be identical whether the title of protection is a product patent or a breeders' rights certificate.

Paragraph 1)

- As above indicated, the term "right" does not appear adequate ("a right... confers the right..." or in French "le droit ...confère le droit ...") and ought to be superseded by "the title of protection granted" ("le titre de protection délivré").

- CIOPORA appreciates greatly the proposed extension of the scope of protection to exports of material, since it is supposed to be in favor of breeders. One may wonder however whether this does not represent a superimposition of two protections on one and the same object. While it is obvious that imports of material have to be specifically protected because such material may come from a country without protection and because of the territorial limitation of the title of protection granted, exports of material, in return, can only concern material which has been propagated or produced or sold or imported in the territory of the country concerned and which therefore already falls under the protection of such acts as "manufacture"("reproduction", "propagation"), "offer for sale, "sale", "putting on the market". One may further wonder whether such exports are not submitted (subject to the limitations advocated by CIOPORA) to the principle of the "exhaustion of rights" which the Administrative and Legal Committe of UPOV wishes to introduce.

Also, as indicated in its previous position papers, CIOPORA is adamant that the basic provisions of the Convention on the scope of the right granted should not be undermined or watered down by the possibilility left open to some States not to apply them fully. This is why, for instance, CIOPORA wishes the deletion of paragraph 4) in Article 5. The extension of the scope of right to "exports" might make the future accession to UPOV by new member States more difficult.

- A possible flexible solution could be achieved by the following suggested wording :

" The title of protection granted in accordance with the provisions of this Convention shall confer to its owner the right to exclude (preferable to "prevent") others from commercially exploiting the variety and notably :

(i) from reproducing the variety;
(ii) from using for commercial purposes, offering for sale or selling the variety or material thereof;
(iii) from importing or stocking the variety or material thereof."

Paragraph 2)

2) i)

For the reasons already exposed in previous position papers CIOPORA considers that , if the principle of exhaustion of rights is to be introduced into the Convention, it must be strictly limited to the specific field of use for which the breeder may have sold or licensed material of the variety.

A new and different wording of paragraph 2)i) and acceptable by CIOPORA is suggested as follows :

" The right conferred by the title of protection granted in accordance with this Convention shall not extend to acts concerning material of the variety, accomplished on the territory for which the title of protection has been granted, after this material has been put on the market in the said territory by the breeder or with his express consent, for the specific purpose or field of use for which it was sold or licensed by the breeder. "

2) ii)

The wording proposed in IOM/IV/2 as well as in the previous UPOV documents is not satisfactory because it is doubtful whether it can cover acts done by, for instance, a public Municipality (public gardens or highways). This is why CIOPORA insists on the text already suggested in previous position papers (the two conditions must be cumulative) :

" acts done for domestic and non-commercial purposes;"

2) iii) and 2) iv

CIOPORA has, in many instances and again in its recent

position papers on the Revision of the Convention, had the opportunity of expressing its opposition to the terms

"... or for the marketing of such varieties" [art.5(3) of the present Convention) and
"and acts done for the commercial exploitation of such varieties" [art. 5(2)(iv) of IOM/IV/2].

Indeed the Convention cannot prejudge that any given variety, freely bred from an already protected variety, and for which protection is applied for, will never infringe the already protected parent variety or another variety and can therefore automatically be freely "commercially exploited" ! Indeed despite the preliminary examination this variety may be found to be within the "minimum distances" of the other varieties. This would also be adverse to the principle of dependency [see our remarks under paragraph (3) of art.5]

On the contrary where a new variety, freely bred from an already protected variety, is clearly distinct and beyond the "perimeter of protection" of the already protected variety then it goes without saying that it can be commercially exploited since it is distinct !

Therefore the above-mentioned terms must be deleted.

CIOPORA also believes that it would be preferable to completely SEPARATE the present two parts of the so-called "research exemption" as follows :

. the research exemption proper should normally find its place in the paragraph devoted to the limitations of the right of the breeder since it corresponds very much to the limitation of patent rights for experimental purposes (provided the result of such experimental use does not itself infringe the patented invention);

. the provision according to which "the authorization of the breeder is necessary when his protected variety must be used repeatedly for the commercial exploitation of another variety" could be incorporated
either in the new paragraph (3) introduced by the Administrative and Legal Committee on dependency since this is in point of fact nothing but one particular aspect of dependency, if such authorization cannot be refused,
or in paragraph (1) above if such authorization can be refused on the grounds that it is part of the exclusive right conferred by the title of protection.

CIOPORA therefore proposes to merge paragraphs (2)(iii) and (2)(iv) of Article 5 as follows :

(2)(iii)

" acts done for experimental purposes or for the purpose of breeding new varieties "

Paragraph 3

- Please refer to CIOPORA's previous comments of March 7, 1989 on CAJ/XXIII/2 and of May 22, 1989 (pages 8, 9, 10) on CAJ/XXIV/2 concerning the general problem of dependency.

- CIOPORA has been continuing its internal debate on this problem which is difficult to solve because it appears clearly that not everyone gives the term "dependency" the same meaning.

Opinions on how dependency should be construed and solved vary considerably even amongst breeders :

- For some, the main if not unique concern is to make it a matter of principle that "mutations" of a protected variety should automatically revert to the breeder of (or be "dependant" from) the protected variety from which the mutation has originated. Conversely, they do not wish to be limited by any so-called "minimum distances" when deciding to protect and market a "hybridized" variety. Considering themselves as the rightful owners of the mutations, they also want to be free to unilaterally decide, depending on their commercial requirements, whether to release a mutation which is "granted back" to them by a third party (a licensee for example) and pay the latter some remuneration or to refuse such release on the marketplace. Such breeders justify their attitude by the fact that, according to them, "discovering" a mutation is not actual breeding work and does not deserve the same protection status. They consider further that mutations are in fact already virtually existent, in a latent state, in the variety of origin at the time this variety has been created.

- Others consider that :

(a) provisions (concerning examination and/or infringement) must be incorporated into the Convention or the national legislations in order to put a final stop to "parasitic mini-variations" of already protected varieties through the creation of new requirements of "minimum distances" between varieties. This would apply equally whether the mini-variation has been obtained through the discovery of a mutation or through a known breeding process. This position might in extreme cases lead to grant a title of protection to a mutation if it

is distinct enough and to refuse protection to a "hybridized" variety if this variety is not distinct enough from an already known variety.

(b) "dependency" provisions should be introduced into the Convention in order to cover the case of "improvements" actually deserving protection according to the provisions of the Convention but reproducing most of the essential characteristics of an already protected variety. Such a dependency should be organized in a way similar to what already exists in patent legislations since it would also permit to solve in a more equitable way the problems relating to the interface between traditional plant varieties and genetic engineering.

On the basis of the above findings CIOPORA considers that the problem of dependency as explained in IOM/IV/2 is not clearly defined and should therefore be further examined in more depth, integrating all above-mentioned aspects. In so doing, the following considerations should be kept in mind :

- the notion of dependency in patent law depends on an actual infringement of an existing title of protection (patent/breeder's right); this is why the subject matter and contents of the protection granted, such as delineated by the claims in a patent or by the distinctive characteristics and minimum distances in a breeder's right certificate, are of paramount importance;

- the notion of derivation should be defined in the new Article 2; it does not coincide with the notion of dependency and this is why it is difficult or impossible to choose between any of the 3 proposed alternatives of paragraph 3 because none of these alternatives is totally satisfactory;

- "slavery" or trivial modifications (imitations serviles) of protected varieties should not be "dependent"; they should be barred from protection completely !

Paragraphs (4) and(5)

CIOPORA has already opposed these two paragraphs strongly (see Comments of March 7 and May 22, 1989).

Paragraph (4) must be deleted because all member States should be operating under the same basic rules and because the proposed intervention of the UPOV Council is no remedy at all. Accepting some countries within UPOV with the present unacceptable level of protection would be very dangerous and would defeat the purpose of strengthening the scope of the right granted to breeders.

Paragraph (5) is a clear encroachment into other laws on Industrial Property and may have very far-reaching consequences because it may affect not only patents but also models, trademarks, trade secrets, copyright ... since the said proposed article does not give any clear explanation on its purpose. It is anyhow totally unjustified and deprives the holders of other types of industrial property rights of every legal security. This is in CIOPORA's views a very dangerous and unprecedented attempt to further erode industrial property rights.

If the intention of the Administrative and Legal Committee is only to regulate the interface between biotechnological inventions and plant varieties then this would be best done by organising a dependency system consistent with the system now in use in patent legislations [see above remarks on para. (3)] and by approximating patent and breeders'rights systems when applied to plant varieties.

ARTICLE 6 of IOM/IV/2

Paragraph 1)

CIOPORA suggests to replace "the right shall be granted" ("le droit est accordé") with "The title of protection shall be granted" ("le titre de protection est délivré"). The same remark applies to 1)(a)last par. and to paragraph 3).

Other comments already made by CIOPORA in its position papers of March 7, and May 22, 1989, remain relevant.

Paragraph 1)(a)

CIOPORA has noted with satisfaction that its request to maitain the condition of the "breeder's agreement" has been taken into consideration. CIOPORA would like to insist that the provision in question should read :

" with the express agreement of the breeder "

This more precise wording would probably avoid unnecessary litigations and shift the burden of the proof of the breeder's consent.

Paragraph 1)(b)(iii)

This provision sounds rather like a tautology, especially in the original French text since it says in fact that a variety is "notoire" when it has been exploited "de manière notoire". Now, "de manière notoire" cannot be considered as a definition or an explanation of "notoire".

Paragraph 2)

The words "as provided in Article 13" can be accepted only provided Article 13 is either left as it is in the present Convention (1978) or modified according to the request of CIOPORA as explained in its position papers of March 7, and May 22, 1989. (see remarks on Article 13 further down).

ARTICLE 7 of IOM/IV/2

Prior comments of CIOPORA (page 11 of its position paper of March 7 and page 8 of its position paper of may 22, 1989) are still relevant.

Again, the language "application for the grant of a title of protection" and "grant of title of protection" (délivrance de titre de protection" should be substituted to " grant of right" ("concession de droit").

ARTICLE 8 of IOM/IV/2

Consistently with its prior remarks on the date when protection should start, CIOPORA would like to propose the following simpler wording :

" (1) The title of protection shall be granted to the breeder for a limited period.

(2) This period may not be less than ..... years, computed from the date of filing of the application for the grant of a title of protection."

ARTICLE 9 of IOM/IV/2

CIOPORA had previously expressed its satisfaction over the new text of Article 9 as proposed in CAJ/XXIV/2.

The new text proposed by IOM/IV/2 represents a serious and unexpected step backward which is unacceptable by CIOPORA.

CIOPORA would like to propose the following wording :

> " The free exercise of the title of protection granted to a breeder may not be restricted otherwise than for reasons of public interest. In such a case the breeder shall be fully compensated. "

ARTICLE 10 of IOM/IV/2

In paragraph (2) the words following "variety" : "with its characteristics as defined when the right was granted " could be deleted.

After careful consideration, paragraph (3)(a) seems to be redundant in relation to paragraph (2).

ARTICLE 12 of IOM/IV/2

Paragraph (3)

The present period of four (4) years cannot be reduced without serious justification.

ARTICLE 13 of IOM/IV/2

As already vigorously underlined in its previous position papers CIOPORA considers that the proposed new text constitutes a serious and unacceptable restriction over the present text of the 1978 Convention.

After the UPOV meeting of 1987, convened by UPOV on the request of ASSINSEL and CIOPORA and specifically devoted to the problem of denominations, CIOPORA had been hoping that the "hatchet was buried". It cannot understand the obstinate and relentless efforts of the Administrative and Legal

Committee of UPOV to restrain the freedom of breeders in their choice of denominations.

The new proposed text in IOM/IV/2 would be considered by CIOPORA as the beginning of a new confrontation which it considers as futile since the present text of Article 13 was already "put up with" by breeders as a compromise.

It is misleading to say that the deletion of the "generic" character of the denomination would permit to use this denomination as a trademark in countries where protection is not available. Such a trademark would become generic itself and consequently null and void in such countries merely because it would be the only means of reference of the variety and would, in point of fact, be used "in a generic way".

One must repeat again that those breeders who wish to use trademarks want to use such trademarks worldwide i. e. also in Member States of UPOV and that they do not wish to trademark the denominations of their varieties. Much to the contrary, the denominations constitute a strong support for their trademarks since they constitute a public and free reference to identify the varieties. This is why such breeders have been using generic denominations long before the UPOV Convention came into being. A variety denomination is, of necessity, and has to remain "generic".

Therefore CIOPORA feels quite strongly that the proposed new text of Article 13 must be rejected in its entirety.

In order to avoid lengthy discussions, Article 13 should either remain with its present wording or resume the language of the present Swiss legislation which is worded as follows:

" (1) A variety shall be given a denomination

(2) Such denomination shall not :

a) be liable to mislead or to cause confusion with another denomination which has already been filed or registered in a Member State for a variety of the same or a botanically related species;

b) be contrary to public order or morality nor infringe national laws or international conventions.

(3) If the same variety has already been the subject of an application or a registration in another Member State, the same denomination shall be used unless it is improper for linguistic or other reasons.

(4) In addition to the denomination, a trademark differing from the denomination may be used in connection with the variety.

(5) If, for a particular variety, the breeder announces a denomination that is identical or liable to be confused with the trademark for which he has obtained registration in respect of that variety or another variety of the same or a botanically related species, he can no longer, from the time when he obtains protection in a Member State, avail himself, within the limits of the protection resulting from the variety denomination, of the rights deriving from the trademark.

(6) Anyone offering for sale or marketing propagating material on a commercial basis shall use the denomination of the variety, even after the termination of protection.

(7) The rights of third parties shall remain unaffected. "

As early as 1961, CIOPORA suggested to use the term "designation" instead of "denomination". This would contribute to meeting the wishes expressed by most international organizations that too strict regulation be avoided in this matter.

ARTICLE 37

In order to broaden the authority of UPOV and in order to make the UPOV Convention more easily accessible to a larger number of countries, CIOPORA maintains its proposal of a new wording of Article 37 (see page 4 of CIOPORA's comments of May 22, 1989) as a necessary complement to its proposed amendment to Article 1.

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