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INTERNATIONAL UNION FOR THE PROTECTION OF NEW VARIETIES OF PLANTS

GENEVA

COMMITTEE OF EXPERTS ON THE INTERPRETATION AND REVISION OF THE CONVENTION

Fourth Session

Geneva, September 14 to 17, 1976

PROPOSALS FOR THE REVISION OF THE CONVENTION (FIRST GROUP OF PROPOSALS)

prepared by the Office of the Union

SUMMARY

This paper deals with a first group of proposals for amending the Convention during the revision conference which is envisaged for 1978. It lists mainly proposals for improving the Convention in order to facilitate the accession of certain non-member States to it. It will be followed in due time by a paper containing further proposals.

INTRODUCTION

1. The Committee of Experts on the Interpretation and Revision of the Convention (hereinafter referred to as "the Committee"), instituted by the Council at its eighth session, has discussed a number of proposals for a more flexible interpretation or a revision of the UPOV Convention (hereinafter referred to as "the Convention"). Surveys of the various proposals have been made in documents IRC/I/3, IRC/II/2 and IRC/III/3, while the main questions were listed in document IRC/III/2. During its third session, in February 1976, the Committee discussed these questions with observers from non-member States and international non-governmental organizations (see paragraphs 5 to 67 of the preliminary draft report on the first part of the third session of the Committee (document IRC/III/12)). At the final meeting of this third session, the Office of the Union was asked to prepare a document containing, where possible, proposals for amending the Convention (document IRC/III/13, paragraph 2). The Consultative Committee confirmed this decision at its thirteenth session, on March 10, 1976, and asked the Office of the Union "to prepare a document containing proposals for those amendments which related to the most important questions and to send it to the member States as soon as possible, in order to allow them more time to study the proposals. Another document containing further possible amendments would be sent at a later date" (document CC/XIII/6, paragraph 13).

2. After consultation with the Chairman of the Committee, the Office of the Union regards as the most important questions those proposals for amending the Convention that have been made with a view to facilitating the accession of non-member States to it. They are described, and new wordings are proposed, in Parts I to IV below. Part V deals with a further proposal, which aims at adapting the Convention to the establishment of the World Intellectual Property Organization (WIPO) as successor of the United International Bureaux for the Protection of Intellectual Property (BIRPI). Part VI deals with a proposal for amendment of Article 27(2), concerning the convening of revision conferences. Both proposals, though of minor importance, are covered in this document in order to give the recipients sufficient time to consult the national authorities competent for such matters, which fall under general treaty law rather than the rules concerning the protection of new plant varieties.

3. A document containing proposals for further items will follow in due time.

PART I

PROVIDING PROTECTION UNDER TWO FORMS
(SPECIAL TITLE OF PROTECTION AND PATENT)

Article 2(1), second sentence[1]

The Problem

4. Article 2(1) reads as follows:

> "Each member State of the Union may recognize the right of the breeder provided for in this Convention by the grant either of a special title of protection or of a patent. Nevertheless, a member State of the Union whose national law admits of protection under both these forms may provide only one of them for one and the same botanical genus or species."

5. In other words, Article 2(1) of the Convention allows individual member States to recognize the breeder's right by the grant either of a special title of protection or of a patent. It excludes, however, the provision of both forms of protection for one and the same botanical genus and species. In doing so it seeks to prevent the grant of two exclusive rights in the same State for the same variety, since this could lead to a collision of rights (where such rights are in the hands of different persons) or to dual protection (where such rights are held by the

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[1] The articles referred to are articles of the Convention.

same person). Moreover, the Convention wants to avert a situation where the breeder is forced to apply for both forms of protection to assure himself of effective protection, which he would have to do if the scopes of protection of the two rights were different (as indeed they now are, for example, in the United States of America).

6. This exclusion could lead to difficulties in States where, as in the United States of America, plant patents are granted for asexually reproduced varieties and special titles of protection for sexually reproduced varieties as a result of the historical development of legislation on plant variety protection. Under such legislation varieties of the same species might be eligible for protection under both forms where both sexual and asexual propagation were possible and economically feasible. It could be difficult for such States to change their national law in order to bring it in line with Article 2(1).

Proposals

7. If a change is intended, the following solutions are possible:

(i) First Alternative

Delete the second sentence of Article 2(1).

(ii) Second Alternative

Replace, in Article 2(1), second sentence, the words "botanical genus or species" by "variety."

8. The first alternative has the obvious advantage of offering the easiest solution for States which at present provide for protection of varieties of the same species under both possible forms. They would not need to change their national law before acceding to the Convention. On the other hand, it might be a disadvantage to breeders if such States were not compelled by the Convention to solve the problems deriving from the protection at least of the same variety under two forms. This minimum requirement could be met by the second alternative.

PART II

THE EXPRESSION "GENUS OR SPECIES"

The Problem

9. In the Convention, the two terms "genus" and "species" are used to signify classification units or subunits of the vegetable kingdom, mainly in the combined form "genus or species" (or "genera or species"). During the thirteenth session of the Consultative Committee, it was remarked that the expression "genus or species" was ambiguous, since one genus contained several species, which might be further divided into subspecies and even smaller units. To illustrate this, the following example was given in connection with the obligation of member States to protect a given minimum number of genera or species within certain periods: a State protecting Poa L. would be protecting a whole genus but, in terms of numbers, one "genus or species" only; another State protecting Poa annua L., Poa compressa L. and Poa pratensis L. would be protecting only part of the genus Poa L. but, in terms of numbers, three "genera or species." It was therefore proposed that the words "genera and species" should be replaced by a single, more suitable term.

10. The term "kind," which is used in the Plant Variety Protection Act of the United States of America, was mentioned as a possible solution. This term is defined in Section 41(c) of the Act mentioned as meaning "one or more related species or subspecies singly or collectively known by one common name, for example, soybean flax or radish."

Proposals

11. It is proposed that this example be followed and that the terms "genus or species," "genera or species," "genus," "genera" or "species" in Articles 2(1), 4(1), (2), (3) and (4), 5(4), 7(1), 13(2) and (8)(a) and 33(1) and (2) be replaced by "kind" or "kinds," as appropriate, and that the heading of the Annex ("Species to be protected in each genus") be replaced by "Kinds to be protected." No change is proposed for Article 8(3), however, where the expression "classes of plants" has been used. According to this proposal, the term "kind" instead of "genus" or "species" or a combination of these terms, has already been used in this document.

12. It might also be advisable to add a paragraph (3) to Article 2 defining the term "kind," which could read as follows:

> "(3) For the purposes of this Convention, the word "kind" applies to one or more related species of subspecies individually or collectively known by one common name."

PART III

ANNEX TO THE CONVENTION; APPLICATION OF THE CONVENTION TO A MINIMUM NUMBER OF KINDS [2]; NATIONAL TREATMENT AND RECIPROCITY

(Article 4(3) to (5) and Annex)

The Main Problem

13. Article 4 reads as follows:

> "(1) This Convention may be applied to all botanical genera and species.
>
> "(2) The member States of the Union undertake to adopt all measures necessary for the progressive application of the provisions of this Convention to the largest possible number of botanical genera and species.
>
> "(3) Each member State of the Union shall, on the entry into force of this Convention in its territory, apply the provisions of the Convention to at least five of the genera named in the list annexed to the Convention.
>
> "Each member State further undertakes to apply the said provisions to the other genera in the list, within the following periods from the date of the entry into force of the Convention in its territory:
>
> (a) within three years, to at least two genera;
>
> (b) within six years, to at least four genera;
>
> (c) within eight years, to all the genera named in the list.
>
> "(4) Any member State of the Union protecting a genus or species not included in the list shall be entitled either to limit the benefit of such protection to the nationals of member States of the Union protecting the same genus or species and to natural and legal persons resident or having their headquarters in any of those States, or to extend the benefit of such protection to the nationals of other member States of the Union or to member States of the Paris Union for the Protection of Industrial Property and to natural and legal persons resident or having their headquarters in any of those States.
>
> "(5) Any member State of the Union may, on signing this Convention or on depositing its instrument of ratification or accession, declare that, with regard to the protection of new varieties of plants, it will apply Articles 2 and 3 of the Paris Convention for the Protection of Industrial Property."

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[2] See Part II above on the use of the term "kind" in this and in the following parts instead of "genus" and/or "species."

14. As to the requirement of Article 4(3) that member States have to apply the Convention, gradually and within certain time limits, to at least the kinds ("species to be protected in each genus") listed in the Annex to the Convention ("List referred to in Article 4, paragraph (3)"; hereinafter referred to as "the list"), it is generally acknowledged that the kinds enumerated in the list are of importance within Europe and in States with similar climatic conditions, but of less relevance to States where different climatic conditions exist. The latter States would find it difficult to undertake to make all those kinds eligible for protection. Some other States are prevented by special reasons from extending the protection under the Convention to certain of the listed kinds. This list has therefore proved to be one of the major obstacles standing in the way of the accession of further States to UPOV. The consensus is therefore that it should not be maintained, at least not in its present form. Two possibilities exist: the list could be either deleted or extended to contain a higher number of kinds, among which the member States have a choice.

Related Problems

15. The question of deleting or of amending (extending) the list is inseparably linked with three other problems, namely:

(i) whether member States should continue to be obliged to apply the Convention to a minimum number of kinds within certain periods of time ("minimum number" question);

(ii) whether Article 4(4) first part, should retain the rule that States may limit the benefit of protection for certain kinds (at present the kinds not included in the list) to nationals or residents of other member States of UPOV which protect the same kinds (principle of "reciprocity") or whether in future the principle embodied in Article 3, namely that nationals and residents of member States enjoy the same treatment in any other member State as that State's own nationals, should be applied without limitation ("national treatment" principle);

(iii) whether it should be expressly mentioned that the benefit of protection may be extended to nationals of member States of the Paris Union for the Protection of Industrial Property (as now provided under Article 4(4), final part) and whether Article 4(5) should be maintained ("Paris Union" question).

16. Seven alternatives are proposed below (see paragraph 19) which consist of different combinations of the possible solutions to the first three of the four problems mentioned above (the problems under paragraphs 14 and 15(i) and (ii)), and the arguments for and against each alternative are set out briefly on the opposite page.

17. In all these alternatives, solutions to the Paris Union question are proposed in the following ways:

(i) Where Article 4(4) is maintained in its present or a revised form (alternatives 2, 4, 6, 7), reference to the Paris Union for the Protection of Industrial Property has been put into square brackets: it would seem that, if that reference were deleted, the reference to the possibility of extension of the benefit of protection to nationals of other States party to the UPOV Convention could also be deleted, the more so as this possibility is already provided in Article 3. The square brackets therefore include the whole second part of Article 4(4). If the part in square brackets is to be deleted, it has also to be decided whether paragraph (5) of Article 4 should be retained or deleted.

(ii) Where Article 4(4) is deleted (alternatives 1, 3, 5), it is proposed, in footnote 3 on page 7, that a new paragraph (3) be added to Article 3 (as worded in that footnote) and that the present Article 4(5) be made into paragraph (4) of Article 3.

18. In the event of its being decided to adopt a high minimum number in alternatives 3, 4, 5, 6 or 7, paragraph 22 of this document contains a further proposal. In the event of the adoption of an extended list (alternatives 5 to 7), footnote 6 on page 9 contains a proposal for further refinement.

19. The following seven alternatives are thus proposed:

Comments on Alternative 1

This is the most liberal--and also the simplest--solution. It leaves member States the complete freedom regarding the kinds to which they will apply the Convention. Breeders will have unlimited access to protection in other member States.

A disadvantage of the solution might lie in the fact that no pressure whatsoever is exerted on member States to extend protection and to apply the Convention to the most important kinds. The extension of the application of the Convention would be left to the good will of member States, to the application of means of persuasion in UPOV sessions and on the success of activities of the national breeders' organizations. It could be argued that this will suffice, as the main prospective member States in coming years will tend to make a good number of kinds eligible for protection.

Comments on Alternative 2

Although under this solution also member States are free regarding the kinds to which they will apply the Convention, they have to consider that their own nationals might obtain protection on a broad scale in other member States only if they themselves apply the Convention to a maximum number of kinds. Thus a certain coercion will exist in all member States to increase the number of kinds,by which the breeders will profit. On the other hand, breeders might not be entitled to protection of a given kind in a foreign member State--though that kind is eligible for protection there--namely in the case where their home State does not protect it. Member States have the possibility of restricting the principle of national treatment to an even greater extent than under the present wording of Article 4(4), according to which the reciprocity rule can only be applied to kinds not contained in the list. This might be considered a step backward. A further disadvantage of this solution lies in the fact that member States are compelled to extend the Convention to kinds which are of no or little importance in their territory only for the sake of ensuring their own breeders' right to protection of this kind in other member States.

Comments on Alternative 3

This solution will ensure that member States apply the Convention at least to a minimum number of kinds. Since the solution leaves it to the States to choose the kinds to be eligible for protection, the danger exists that member States may apply the Convention to a large extent to different kinds, so that the number of kinds protected in all or most member States is small. Breeders would have, as under Alternative 1, unlimited access to protection in other member States.

Alternative 1 (no list, no minimum number, national treatment)

Amendments:

(a) delete the list

(b) delete Article 4(3) to (5)[3]

Alternative 2 (no list, no minimum number, reciprocity)

Amendments:

(a) delete the list

(b) delete Article 4(3)

(c) reword Article 4(4), which becomes 4(3), as follows:

"(3) Any member State of the Union protecting a given kind shall be entitled [either][4] to limit the benefit of such protection to the nationals of member States of the Union protecting the same kind and to natural and legal persons resident or having their headquarters in any of those States [, or to extend the benefit of such protection to the nationals of other member States of the Union or of member States of the Paris Union for the Protection of Industrial Property and to natural and legal persons resident or having their headquarters in any of those States][4]."

Alternative 3 (no list, minimum number, national treatment)

Amendments:

(a) delete the list

(b) reword Article 4(3) as follows:

"(3) Each member State of the Union shall, on the entry into force of this Convention in its territory, apply the provisions of the Convention to at least ... kinds.

"Each member State further undertakes to apply the said provisions to other kinds, within the following periods from the date of the entry into force of the Convention in its territory:

(a) within ... years, to at least ... kinds;

(b) within ... years, to at least ... kinds;

(c) within ... years, to at least ... kinds."

(c) delete Article 4(4) and (5)[3]

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3 If the present provisions concerning the Paris Union are maintained, the following Article 3(3) has to be inserted and Article 4(5) has to become Article 3(4).

"(3) Any member State may extend the benefit of the protection to nationals of member States of the Paris Union for the Protection of Industrial Property and to natural and legal persons resident or having their headquarters in any of those States."

4 See paragraph 17(i) above for the meaning of the square brackets.

Comments on Alternative 4

As under Alternative 3 it is ensured that member States apply the Convention at least to a minimum number of kinds. An additional pressure is exerted by the reciprocity clause to make the important kinds eligible for protection because otherwise national breeders might not obtain protection for the same important kinds abroad. This means, however, that, as under Alternative 2, member States can restrict the principle of national treatment to an even greater extent than under the present wording of Article 4(4), according to which the reciprocity rule can only be applied to kinds not contained in the list. This might be considered a step backward. The breeders, while benefiting on the one hand from the--possibly--increased number of kinds eligible for protection might, on the other hand, have only limited access to the protection abroad, namely in the case where their own State does not grant protection for the kind for which they seek for protection in another member State.

Comments on Alternative 5

Under this solution, a list exists which contains a considerably higher number of kinds than the present list, but member States need apply the Convention to only a certain number of these kinds. They can choose those kinds which are of importance under the climatic conditions prevailing in their territories. The difficulty existing now for States which cannot apply the Convention to a given kind is thereby avoided. On the other hand, this solution prevents States from applying the Convention only to a very small number of kinds or exclusively to "borderline" kinds. Also some guidance is given as to the kinds to which States should preferably extend protection. So it can be expected that countries with the same climatic conditions will apply the Convention to more or less the same kinds. Under this solution breeders are granted free access to protection in foreign member States.

Alternative 4 (no list, minimum number, reciprocity)

Amendments:

(a) delete the list

(b) reword Article 4(3) and (4) as follows:

"(3) Each member State of the Union shall, on the entry into force of this Convention in its territory, apply the provisions of the Convention to at least ... kinds.

"Each member State further undertakes to apply the said provisions to other kinds within the following periods from the date of the entry into force of the Convention in its territory:

(a) within ... years, to at least ... kinds;

(b) within ... years, to at least ... kinds;

(c) within ... years, to at least ... kinds.

"(4) Any member State of the Union protecting a given kind shall be entitled [either][5] to limit the benefit of such protection to the nationals of member States of the Union protecting the same kind and to natural and legal persons resident or having their headquarters in any of those States [, or to extend the benefit of such protection to the nationals of other member States of the Union or of member States of the Paris Union for the Protection of Industrial Property and to natural and legal persons resident or having their headquarters in any of those States][5]."

Alternative 5 (extended list, minimum number, national treatment)

Amendments:

(a) amend the list

(b) reword Article 4(3) as follows:

"(3) Each member State of the Union shall, on the entry into force of this Convention in its territory, apply the provisions of the Convention to at least ... of the kinds named in the list annexed to the Convention.

"Each member State further undertakes to apply the said provisions to other kinds in the list, within the following periods from the date of the entry into force of the Convention in its territory:

(a) within ... years, to at least ... kinds[6];

(b) within ... years, to at least ... kinds;

(c) within ... years, to at least ... kinds."

(c) delete Article 4(4) and (5)[7]

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[5] See footnote 4 on page 7

[6] One could also consider obliging member States to apply the Convention to different minimum numbers of kinds of the five main groups of plants (agricultural crops, forest trees, fruit crops, ornamental plants, vegetables). If this proposal is accepted the list should separately enumerate the different kinds in these five groups, and subparagraphs (a), (b) and (c) should each read: "within ... years, to at least ... kinds named in group I, ... kinds named in group II, ... kinds named in group III, ... kinds named in group IV, and ... kinds named in group V of the list."

[7] See footnote 3 on page 7

Comments on Alternative 6

The only additional feature of this Alternative--as compared to Alternative 5--lies in the fact that under the reciprocity rule member States are compelled, in the interest of their own breeders, to apply the Convention to a large number of kinds and especially to those kinds for which their own breeders want protection abroad. For the breeders this solution has the same ambiguity as that described in the comments on Alternative 2. They will profit from the greater pressure exerted on member States to extend the application of the Convention, but, in individual cases, they could suffer from the reciprocal treatment imposed on them abroad.

Comments on Alternative 7

Compared with Alternatives 5 and 6, this solution tries to steer a middle course. It would give breeders full access to protection in other member States for all kinds listed in the Annex to the Convention, that is for the most important kinds. For other kinds, that is, for the minor kinds, breeders have no free access to protection, but have the advantage that--by the application of the reciprocity principle--pressure is exerted on all member States to extend the Convention also to these minor kinds.

Alternative 6 (extended list, minimum number, full reciprocity)

Amendments:

(a) amend the list

(b) reword Article 4(3) and (4) as follows:

"(3) Each member State of the Union shall, on the entry into force of this Convention in its territory, apply the provisions of the Convention to at least ... of the kinds named in the list annexed to the Convention.

"Each member State further undertakes to apply the said provisions to other kinds in the list within the following periods from the date of the entry into force of the Convention in its territory:

(a) within ... years, to at least ... kinds[8];

(b) within ... years, to at least ... kinds;

(c) within ... years, to at least ... kinds.

"(4) Any member State of the Union protecting a given kind shall be entitled [either][9] to limit the benefit of such protection to the nationals of member States of the Union protecting the same kind and to natural and legal persons resident or having their headquarters in any of those States [, or to extend the benefit of such protection to the nationals of other member States of the Union or of member States of the Paris Union for the Protection of Industrial Property and to natural and legal persons resident or having their headquarters in any of those States][9]."

Alternative 7 (extended list, minimum number, combination of national treatment and reciprocity)

Amendments:

(a) amend the list

(b) reword Article 4(3) and (4) as follows:

"(3) Each member State of the Union shall, on the entry into force of this Convention in its territory, apply the provisions of the Convention to at least ... of the kinds named in the list annexed to the Convention.

"Each member State further undertakes to apply the said provisions to other kinds in the list within the following periods from the date of the entry into force of the Convention in its territory:

(a) within ... years, to at least ... kinds[8];

(b) within ... years, to at least ... kinds;

(c) within ... years, to at least ... kinds.

"(4) Any member State of the Union protecting a kind not included in the list shall be entitled [either][9] to limit the benefit of such protection to the nationals of member States of the Union protecting the same kind and to natural and legal persons resident or having their headquarters in any of those States [, or to extend the benefit of such protection to the nationals of other member States of the Union or of member States of the Paris Union for the Protection of Industrial Property and to natural and legal persons resident or having their headquarters in any of those States][9]."

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[8] See footnote 6 on page 9

[9] See footnote 4 on page 7

Additional Proposal

20. For certain States (developing States or States where special climatic or economic conditions exist) it might be difficult to apply the Convention to a high minimum number of kinds. The adoption of Alternative 3, 4, 5, 6 or 7 might therefore have the disadvantage of preventing such States from acceding to the Convention. To avoid this, the Convention could, in case of the adoption of any of these Alternatives, authorize the Council to reduce the minimum numbers of kinds to which member States have to apply the Convention within certain periods of time. Such provision could be adopted for all member States or for newly acceding States only. A provision of this kind could be phrased as follows (for the wording, see Article 26(5) as amended by the Additional Act):

Article 4, new paragraph:

"At the request [of a member State or] of a State applying for accession to the Convention according to Article 32, the Council may, in order to take account of exceptional circumstances, decide to reduce the minimum numbers of kinds, set forth in paragraph (3), to which such State shall apply the Convention."

Consequential Changes

21. If any change is made to Article 4, Article 33 has to be changed correspondingly. It seems premature to propose a wording for this merely consequential change before the Committee has made a choice among the Alternatives.

PART IV

PERIOD OF GRACE

Article 6(1)(b)

The Problem

22. Article 6(1)(b) is worded as follows:

"(1) The breeder of a new variety or his successor in title shall benefit from the protection provided for in this Convention when the following conditions are satisfied:

....

"(b) The fact that a variety has been entered in trials, or has been submitted for registration or entered in an official register, shall not prejudice the breeder of such variety or his successor in title.

"At the time of the application for protection in a member State of the Union, the new variety must not have been offered for sale or marketed, with the agreement of the breeder or his successor in title, in the territory of that State, or for longer than four years in the territory of any State."

23. In other words, Article 6(1)(b) prescribes, in its second part, that at the time of the application for protection in a member State of the Union, the new variety must not have been offered for sale or marketed, with the agreement of the breeder or his successor in title, in the territory of that State (while it may have been offered for sale or marketed in other States, but for not longer than four years). This means that a variety which has been offered for sale or marketed in the State where protection is sought before the application for protection has been filed lacks novelty and the grant of a title is no longer possible. Thus, member States are not allowed, under the present wording of the Convention, to grant to breeders a so-called "period of grace" during which they can commercialize the variety in the State of application without affecting its novelty. Such periods of grace exist in national patent laws and have a long tradition in some States. For example, the US Patent Law--and also the US Plant Variety Protection Act--provides for a period of grace of one year. The proposal has been made that a period of grace be provided for--or at least allowed for--in the Convention also.

24. At its first session, the Committee rejected the idea of adopting an additional rule in Article 6(1)(b) according to which the introduction of a period of grace of one year would be compulsory for all member States. The only question open for decision, therefore, is whether the Convention should allow member States to provide for such a period of grace in their national law.

Arguments For or Against a Change

25. The following arguments can be brought forward in favour of this change of the Convention:

(i) A period of grace gives the breeder the opportunity to assess the commercial value of the variety by test sales in the State of future application before incurring costs for obtaining the right of protection.

(ii) The breeder who has already put his variety on the market, without recognizing its value and the advantage of obtaining protection for it, can still apply for a plant breeder's right within the period of grace.

(iii) The period of grace allows for a screening of applications and a reduction in the number of applications, namely by those relating to the varieties which are discovered, in the first year of marketing, to have insufficient economic value or none at all.

(iv) Periods of grace are known under some patent laws and their existence has in general not led to serious drawbacks. The same is true in the United States of America with respect to plant variety protection.

(v) The international non-governmental organizations have declared themselves in favor of allowing the introduction of a period of grace in national law.

(vi) Certain States like the United States of America might find it impossible to abandon the period of grace in their national legislation.

(vii) Difficulties will not arise from the fact that, if allowance is made for the introduction of a period of grace, different rules concerning novelty will exist within member States. Breeders who have made use of such a period in one member State may, when applying later in a member State that does not grant a period of grace, rely on the provision of the Convention whereby a variety may have been commercialized for up to four years in another State without prejudice to its novelty in the State of the later application.

26. The following arguments can be brought forward against changing the Convention so that it allows the introduction of a period of grace:

(i) A period of grace creates some legal insecurity for competitors and the general public since it will be uncertain, for a given period of time, whether a breeder plans to have his variety protected or not.

(ii) It is a risk for the breeder to put his variety on the market before he files an application. He might endanger his power to prosecute infringers. The task of the courts competent to decide in infringement cases is made more difficult by the fact that the variety was already marketed before the application was filed.

(iii) In many States the existence of a period of grace is of little if any value for a number of kinds, namely when the marketing of a variety of that kind is dependent on its registration in a list of authorized varieties. If the possibility of allowing a period of grace is provided for in the UPOV Convention, those States might be under pressure to amend their seed trade laws correspondingly.

First Proposal (Permission to introduce a period of grace)

27. In view of the above-mentioned disadvantages, the possibility of granting a period of grace should be limited to those States which provide for such a period under their national law at the time of depositing their instrument of accession to the Convention. In this case, the Convention could be changed as follows:

A third part reading as follows, should be added to Article 6(1)(b):

"However, States under whose law, at the time of depositing the instrument of accession to this Convention, breeders are granted a period during which the variety may be offered for sale or marketed in the territory of that State without prejudicing the right of the breeder or his successor in title to apply for protection for this variety in that State ("period of grace") may continue to allow such period, provided that the period of grace shall not exceed one year."

Second Proposal (Deferred Examination)

28. It has been suggested by a representative of an international non-governmental organization that States should introduce a system of deferred examination in their national law instead of maintaining the period of grace. Deferred examination means that the examination authority does not examine any application (except on formalities) until the applicant files an additional request for examination, for which a special fee has to be paid. Requests for examination may be filed within a certain period after the filing of the application. If no such request is filed the application is considered withdrawn. Under such a system the fee for the filing of the application is normally low, in view of the fact that a higher fee can be charged when examination is requested. If such a system is introduced in the plant breeder's rights protection law of a State, there is less need for a period of grace, since breeders can always file the application for a small fee and postpone the request for examination until they are sure of their wish to obtain protection. Indeed they would enjoy greater security in this way than by making use of a period of grace.

29. The system of deferred examination has recently been introduced in the patent laws of certain States (for example the Federal Republic of Germany and Japan) in order to alleviate the burden of work on the patent offices by obviating the time-consuming examination work on applications which are withdrawn--for want of continued economic interest--in the first years after their filing.

30. It is doubtful, however, if a change in the Convention can be avoided by dint of a mere reference to the possibility of introducing the system of deferred examination:

(i) The State most interested in the possibility of reserving the right to grant a period of grace is the United States of America. In the patent field, the interested circles and authorities of that State have until recently been strongly opposed to a system of deferred examination.

(ii) A system of deferred examination does not make a period of grace completely superfluous. The breeder would have to file the application and would have to pay the filing fee in any case before marketing the variety. No help is given to breeders who have failed to recognize the value of their varieties and have started commercializing them without thinking of obtaining protection.

(iii) The system of deferred examination is of little value to States in which the marketing of varieties of the more important kinds is made dependent on an entry in a national register. In these cases, however, the period of grace is also of little importance (see paragraph 26(iii) above).

31. The introduction of a period of grace would be compatible with the present wording of Article 7 of the Convention. No drafting proposal need therefore be made should the Committee wish to follow the proposal in question.

Third Proposal (Authorization of Test Sales)

32. It has also been suggested to change Article 6(1)(b) in the sense that no activities performed for testing purposes--including test sales--are detrimental to novelty. It has been stated that if this suggestion is adopted little need is seen for a period of grace.

33. Article 6(1)(b), in its present wording, states that "the fact that a variety has been entered in trials" does not prejudice the breeder. This wording is probably too narrow to comprise also "test sales." If their inclusion is desired the word "trials" would have to be replaced by "tests (including test sales)."

The order of the two existing parts of Article 6(1)(b) would also have to be reversed, in order to make it clear that the rule allowing tests has precedence over the rule that the variety must not have been sold or marketed.

34. The following arguments could be brought forward against such a change:

(i) legal insecurity would be created for competitors and the general public;

(ii) bringing propagating material on the market in large quantities before filing an application is dangerous for the breeder: he might prejudice his chances of proving his right against infringers.

35. If the suggestion were to be accepted, the following changes would be necessary:

Reverse the first and second parts of Article 6(1)(b). Replace, in the first line of the present first part of Article 6(1)(b), the word "trials" by "tests (including test sales)." Article 6(1)(b) would thus read:

"(b) At the time of the application for protection in a member State of the Union, the new variety must not have been offered for sale or marketed, with the agreement of the breeder or his successor in title, in the territory of that State, or for longer than four years in the territory of any other State.

"The fact that a variety has been entered in tests (including test-sales) or has been submitted for registration or entered in an official register, shall not prejudice the breeder of such variety or his successor in title."

36. Another solution would be to add the following sentence to the second part of Article 6(1)(b):

"States under whose law, at the time of depositing the instrument of accession to the Convention, the offering for sale or marketing of the variety for purposes of testing before the time of the application for protection in the respective State does not prejudice the breeder of such variety or his successor in title may continue to maintain such rule."

PART V

COOPERATION WITH OTHER ORGANIZATIONS

Article 25

37. Article 25 is worded as follows:

"The procedures for technical and administrative cooperation between the Union for the Protection of New Varieties of Plants and the Unions administered by the United International Bureaux for the Protection of Industrial, Literary and Artistic Property shall be governed by rules established by the Government of the Swiss Confederation in agreement with the Unions concerned."

38. In view of the fact that the United International Bureaux (BIRPI) mentioned in this Article is in the process of being replaced by the World Intellectual Property Organization (WIPO), this Article needs redrafting. It should be noted that the Rules of Procedure currently in force for such technical and administrative cooperation already provide for cooperation with the World Intellectual Property Organization (WIPO), and not with the Unions administered by BIRPI (document UPOV/INF/1, Part I).

39. On the basis of suggestions made in the course of the second session of the Committee (document IRC/II/6, paragraph 42), the following new wording could be envisaged for Article 25:

First Alternative (no substantive change):

Article 25

"The procedures for technical and administrative cooperation between the Union for the Protection of New Varieties of Plants and the World Intellectual Property Organization shall be governed by rules established by the Government of the Swiss Confederation in agreement with the said organization and the said Union."

Second Alternative (small substantive change):

Article 25

"In the event that the Union for the Protection of New Varieties of Plants decide to cooperate with another organization, the procedures shall be governed by rules established by the Government of the Swiss Confederation in agreement with the said organization and the said Union."

PART IV

REVISION CONFERENCES

Article 27(2)

40. Article 27(1) and (2) are worded as follows:

"(1) This Convention shall be reviewed periodically with a view to the introduction of amendments designed to improve the working of the Union.

"(2) For this purpose, conferences shall be held every five years, unless the Council, by a majority of five-sixths of the members present, considers that the convening of such a conference should be brought forward or postponed."

41. The question has been raised if the principle of holding revision conferences automatically every five years should be maintained. It has been mentioned that the convening of a revision conference, the national procedures for obtaining parliamentary approval of the revised text in member States and the breeders' adjustment to the revised version of the Convention will cause labor and expense. A revision conference should therefore only be held if a situation arises which demands a revision of the Convention.

42. If the suggestion to abandon this automatism is followed, Article 27 should be rephrased as follows:

"Article 27

"(1) This Convention may be revised from time to time by a special conference of the member States of the Union.

"(2) The convocation of any revision conference shall be decided by the Council."

43. According to the wording proposed for paragraph (2), decisions to convene a revision conference would be taken by a simple majority of the members present (see Article 22 and also Article I of the Additional Act). As a consequential change, the figure "27" in Article 22 would have to be replaced by "paragraphs (3) and (4) of 27."

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