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UNION INTERNATIONALE POUR LA PROTECTION DES OBTENTIONS VÉGÉTALES

GENÈVE

PREMIERE REUNION PREPARATOIRE POUR LA REVISION DE LA CONVENTION UPOV

Genève, 23 - 26 avril 1990

CONFERENCE DE LA CHAMBRE DE COMMERCE INTERNATIONALE (CCI)
SUR L'INTERFACE ENTRE LA PROTECTION PAR BREVET
ET LA PROTECTION DES OBTENTIONS VEGETALES

Document établi par le Bureau de l'Union

1. A la suite de la session du Comité d'experts (conjoint de l'OMPI et de l'UPOV) qui s'est tenue du 29 janvier au 2 février 1990, la Chambre de commerce internationale (CCI) a organisé principalement à l'intention des organisations internationales non gouvernementales une conférence destinée à rapprocher les points de vue de ces organisations. La conférence a eu lieu les 5 et 6 avril 1990 dans le bâtiment du siège de l'OMPI et de l'UPOV. La conférence a été entièrement organisée par la CCI, la participation de l'OMPI et de l'UPOV s'étant limitée à la mise à disposition de la salle de conférences. Des fonctionnaires de l'OMPI et de l'UPOV ont été invités à la conférence et y ont participé en qualité d'observateur.

2. Les organisations non gouvernementales suivantes étaient représentées :

- AIPH Association internationale des producteurs de l'horticulture
- AIPPI Association internationale pour la protection de la propriété industrielle
- ASSINSEL Association internationale des sélectionneurs pour la protection des obtentions végétales
- CCI Chambre de commerce internationale

CIOFORA	Communauté internationale des obtenteurs de plantes ornementales et fruitières de reproduction asexuée
COMASSO	Association des obtenteurs de variétés végétales de la Communauté économique européenne
EPI	Institut des mandataires agréés près l'Office européen des brevets
FEMIP	Fédération européenne des mandataires de l'industrie en propriété industrielle
FICPI	Fédération internationale des conseils en propriété industrielle
FIS	Fédération internationale du commerce des semences
GIFAP	Groupement international des associations nationales de fabricants de produits agrochimiques
JPA	Japan Patent Association
MPI	Institut Max Planck de droit étranger et international en matière de brevets, de droit d'auteur et de concurrence
PIPA	Association de propriété industrielle du Pacifique
UNICE	Union des confédérations de l'industrie et des employeurs d'Europe
VBN	Association des marchés de fleurs au cadran des Pays-Bas

En outre, la Commission des communautés européennes et l'Office européen des brevets, ainsi que quelques Etats, se sont faits représenter.

3. A la fin de la conférence, les participants ont pris connaissance - en se félicitant dans leur majorité - d'un document intitulé "Communiqué final" qui est reproduit à l'annexe II du présent document (seul M. B. Le Buanec a rappelé à la conférence que cette position de compromis ne pourrait pas être appuyée par la majorité de l'ASSINSEL, qui estime que le système de protection reposant sur une Convention UPOV améliorée devrait être le seul applicable aux obtentions végétales; M. M. Kamps a appuyé ce point de vue au nom de la COMASSO). L'annexe I donne davantage de détails sur la nature et la signification du document final selon le point de vue de M. T.M. Clucas, Président de l'ASSINSEL, qui a mené les débats de la conférence.

4. Tant le 5 que le 6 avril, la conférence s'est scindée en groupes de discussion pour examiner des points particuliers. L'annexe III contient les rapports sur ces discussions (en anglais seulement).

[Les annexes suivent]

ANNEXE I

LETTRE DE M. T.M. CLUCAS, PRESIDENT DE LA CONFERENCE DE LA CCI,
AU DIRECTEUR GENERAL DE L'OMPI

Objet : Conférence CCI/UPOV-OMPI sur l'interface entre la protection par brevet et la protection des obtentions végétales

En premier lieu, je tiens à renouveler mes remerciements les plus chaleureux, au nom de tous les participants de la réunion "interface" qui s'est tenue la semaine dernière, pour l'hospitalité de votre organisation ainsi que pour les moyens et l'assistance qu'elle a fournis.

Vous trouverez ci-joint les documents concernant l'ordre du jour, un communiqué final et les rapports des différents groupes de travail. Comme vous le savez, le communiqué final a été accueilli par la réunion avec des sentiments plutôt partagés : des délégués de deux organisations importantes, l'ASSINSEL et la COMASSO, ont fait connaître de sérieuses réserves sur le projet de texte, tout au moins en ce qui concerne la question dite de la "double protection". Il conviendrait donc de donner une importance égale aux rapports des groupes de travail et au communiqué.

Il y a également lieu de souligner que la réunion était essentiellement informelle. Cela étant, les observations et opinions exprimées ne constituent pas des positions "adoptées" par les organisations, bien qu'une évolution en ce sens pourrait se produire à l'avenir lorsque certains détails auront été éclaircis. Enfin, il convient de garder à l'esprit que tous les groupes d'intérêt ont accepté de faire des compromis pour parvenir à ce résultat, qui, estime-t-on, permet une solution équilibrée. Il est par conséquent important de considérer la question comme un tout, car toute tentative de choisir entre les divers éléments pourrait se traduire par un déséquilibre inacceptable.

Néanmoins, malgré toutes ces mises en garde, y compris les réserves exprimés par certaines organisations, la réunion a été considérée par les participants comme constructive, féconde et utile. Par dessus tout, il a été estimé qu'elle a contribué à une meilleure compréhension entre les différents groupes d'intérêt en présence. Il a également été estimé que des progrès significatifs ont été fait et que les éléments de base d'une solution se sont peut-être dégagés des discussions.

Il reste à voir quelle sera ou pourra être l'étape suivante. Il serait peut-être opportun de rédiger un document de base plus élaboré (à soumettre à tous les groupes d'interêt) qui se fonderaient sur les progrès réalisés lors de la réunion de la semaine dernière. Il semble probable qu'une telle initiative serait bien accueillie et, compte tenu de la volonté générale de mettre au point une solution, qu'elle permettrait d'obtenir un consensus multilatéral sur une solution appropriée.

[L'annexe II suit]

ANNEXE II

COMMUNIQUE FINAL

PROPOSITIONS EN VUE D'UN SYSTEME EQUILIBRE DE PROTECTION DES INNOVATIONS
DANS LE DOMAINE DES PLANTES ET DES VARIETES VEGETALES

Une Convention UPOV révisée devrait prévoir la protection des "variétés végétales" qui satisfont aux conditions de distinction, d'homogénéité, de stabilité, de nouveauté commerciale et de dénomination.

Une protection large s'étendant à toute reproduction ou multiplication et, sous réserve de l'épuisement, à toute vente, importation, exportation, détention, etc. devrait être accordée à l'obtenteur. Il est important que le droit s'étende au matériel de la variété.

La protection devrait s'appliquer non seulement à la variété initiale, mais également aux variétés qui sont essentiellement dérivées de cette variété; toutefois, les variétés protégées, en tant que telles, devraient rester disponibles, à tous autres points de vue, comme sources de variation initiale pour la création d'autres variétés.

La Convention devrait prévoir la protection au moyen d'un titre particulier (qui peut prendre la forme d'un brevet), mais devrait permettre la protection par des brevets industriels lorsque les critères supplémentaires du système des brevets sont remplis. Quelle que soit la forme retenue, une variété doit, pour pouvoir être protégée, remplir les conditions de distinction, d'homogénéité, de stabilité et de dénomination. Dans toutes les circonstances, la variété doit être disponible comme source de variation initiale pour la création d'autres variétés.

Des droits attachés à un brevet et un droit d'obtenteur doivent pouvoir coexister au niveau d'une variété végétale.

Lorsqu'une demande de brevet qui se rapporte à une innovation dans le domaine des plantes est examinée et qu'une variété végétale est expressément revendiquée, les conditions de distinction, d'homogénéité, de stabilité, de nouveauté commerciale et de dénomination doivent être remplies par la variété revendiquée. Si la revendication porte sur une plante ou une cellule, ou sur un procédé de production d'une plante ou d'une cellule, et qu'il n'est par sûr que la plante ou la cellule représente une variété, l'examinateur doit inviter le demandeur à renoncer à la revendication de la variété végétale. S'il y consent, les conditions de distinction, d'homogénéité, de stabilité, de nouveauté commerciale et de dénomination ne seront pas prises en compte. S'il refuse de renoncer à la revendication, les conditions supplémentaires devront être remplies.

Il est considéré que la même instance technique sera utilisée par le service de la protection des obtentions végétales et l'office des brevets pour l'examen de la distinction, de l'homogénéité et de la stabilité. Pour les dénominations, les deux systèmes feraient appel à la même instance administrative.

Les deux systèmes se partageraient une base de données relative aux conditions de distinction, d'homogénéité et de stabilité. La procédure de renonciation garantirait que toutes les variétés végétales protégées seraient nettement identifiées et figureraient dans la base de données commune.

La certitude juridique intrinsèque du système de l'UPOV serait maintenue dans ces circonstances. Le système de brevets garderait sa capacité à répondre à l'évolution technique et, dans le domaine des plantes, bénéficierait d'un traitement plus approprié des revendications portant sur des variétés.

Politiquement, une disposition du système des brevets permettant l'utilisation des variétés en tant que telles comme sources initiales de variation réfuterait les critiques exprimées par les groupes de pression qui agissent en faveur de la conservation des ressources génétiques, et répondraient aux besoins ressentis de façon générale par tous les obtenteurs. L'obligation de permettre l'utilisation des variétés en tant que sources initiales de variation, doit être inscrite dans la législation sur les brevets à chaque fois que cela est nécessaire. Ce n'est que si la variété résultante porte atteinte aux droits attachés au brevet pour la variété initiale qu'il y aurait une restriction de l'exploitation de la variété résultante. A cet égard, le droit des brevets n'est pas différent du droit de la protection des obtentions végétales. Si une variété résultante protégée par un droit d'obtenteur porte atteinte aux droits attachés à la variété utilisée comme source initiale de variation (c'est-à-dire ne s'en distingue pas), il y aura également une restriction de l'exploitation de la variété résultante!

La Convention UPOV révisée ne devrait permettre qu'une seule dérogation au nouveau droit de l'obtenteur élargi créé par l'article 5. Les Etats pourraient, dans le cadre d'une seule dérogation permise, créer un droit nettement défini, en faveur de l'agriculteur, de produire des semences d'une variété protégée, dans le cas de certaines espèces nommément désignées, sur sa propre exploitation agricole à l'aide de son propre matériel.

[L'annexe III suit]

ICC/WIPO-UPOV CONFERENCE
ON THE INTERFACE BETWEEN PATENT PROTECTION
AND PLANT BREEDERS' RIGHTS

Geneva, April 5 and 6, 1990

REPORTS FROM GROUPS

REPORT OF GROUP 1: "DEFINITION OF VARIETY"

(Rapporteur: Gérard J. Urselmann)

In view of the general purpose of these days' meeting, the discussion was focused and thereby limited to "plant varieties." Some members did feel that it was appropriate to have a definition, some did not. Reasons to have a definition were expressed for the following reasons:

- (a) The bare existence of the exclusion provision for plant varieties in EPC and some national patent legislations;
- (b) the sake of the PBR system itself.

Specifically in relation to (b) it has been taken aboard that the removal of a definition by UPOV in 1978 has not changed the world dramatically.

As the people who handle plant material apply the word variety from their specific point of view, e.g., taxonomists, botanists, growers, processors, consumers, it was felt appropriate that for the purpose of this meeting the definition should be sought for legal reasons.

It was felt that, from that viewpoint, "variety" could be seen as a concept in relation to plants.

So indicating a group of plants (no limitations to the number of plants) sharing roughly all characteristics in common, which are dealt with by the agriculture community (in a broad sense, so including, for example, horticulture and forestry) as an independent unity for their cultivation.

So to be a variety, the group of plants:

- has to be independent, so **DISTINCT**;
- has to share the characteristics, so **UNIFORM**;

and, of course,

- has to stay to its characteristics through subsequent generations, so **STABLE**;

In conclusion, the Group felt it appropriate to define a plant variety as follows:

"A group of plants which fulfills the specific legal requirements concerning Distinction, Uniformity and Stability."

The Chairman feels it appropriate to thank both the NGO members and the GO members for their valuable contributions to the discussion.

REPORT OF GROUP 2: "SCOPE OF PROTECTION"

(Rapporteur: Richard C.F. Macer)

The Group decided, because of many overlaps with areas allocated to other discussion groups, that it would deal with broad issues only and with the proposed wording of the draft Convention, in particular Article 5.

The initial feeling of the Group was that scope of protection for PVP was becoming more carefully defined as a result of drafting of Article 5 which overall was helpful.

If the definitions proposed in Article 2 were adopted, then the combination of Articles 2 and 5, with the two provisos, below, would give sufficient scope of protection for PVP. There was a majority view that Article 5(5) should be removed, or substantially modified to make it clear that patents on genes could be infringed by plant varieties and that a modified Article 5(4) could be more appropriately accommodated within Article 9 which already dealt with matters of "public interest."

The identification in Article 2(iv) of subdivisions of "material" into:

- reproductive or vegetative propagating material,
- harvested material,
- products,

greatly enhanced the right and would help in clarifying difficulties anticipated in defining the point of "exhaustion of rights." Uncertainties in the product area were recognised. However, the Group believed that a more thorough study of the new text of the draft Convention would establish that the problems might be less substantial and the scope might be adequate. The resolution could be arranging appropriate terms in licences issued by the Holder of Rights. Such problems could not necessarily be dealt with within the terms of the Convention (for a variety of reasons) but care would need to be exercised in drafting licences to ensure that restraints did not conflict with other laws, e.g., Competition Law.

With regard to Article 5(3), there was a unanimous feeling that the word "single" should be retained in the text in the first sentence dealing with derivation from a protected variety, because of the practical difficulty of judging dependency from more than one variety. The word "essentially" needed elaboration.

Classes of essentially derived varieties were agreed as:

1. mutations (subject to satisfying minimal distance criteria);
2. insertions of biotechnologically generated material;
3. conventional back-crossing (repeated).

After discussion, Alternative 1 emerged as the preferred option in the belief that it provided the basis for a better balance between protection provided by patents and by PVP. Also, it was suggested that in cases of disputes over dependency there could well be reasons to justify a "Reversal of the Burden of Proof" which would be close to the situation being developed in the Draft Regulation for the Legal Protection of Biotechnological Innovations in the EC.

Again, the realistic view of the conditions in the market place would establish a "modus vivendi." Pressure of competition would ensure commercial interaction and the timing of discussions (early) would be crucial.

Article 5(2)(iv) emphasised the reality of the plant breeding industry and the "breeders" exemption. This was the cornerstone of the PVP system and the free flow of germ-plasm was important. It was the major difference with the patent system.

A view was expressed that with a clarification that the use of a variety for breeding purposes would not infringe a patent, then there would be no problem with the establishment of a "breeder's exemption" in the patent system. This would be dependent upon "compulsory licences" being confined to requirements of over-riding national interest because the resulting variety may infringe an earlier patent and that right needed to have its normal effect.

If in some way there was a possibility of clarifying, and equating, the breeder's exemption and the research exemption then some of the entrenched objections to doubled protection would disappear.

The answers to the two questions posed to the Group are:

1. Does an increased scope of protection (as in proposed new Article 5) have any implications for the interface?
Yes - the increased scope of protection (as is proposed in new Article 5) does have implications for the interface;
2. Does the increased scope strengthen PVP to the point at which it provides a protection sufficient for the introducer of a biotechnological innovation - a novel gene?
No, there is a basic difference in the nature of patent and PVP rights, their bases, i.e., variety or invention, and the point in time when such protection is sought.

REPORT OF GROUP 3: 'FARMER'S PRIVILEGE

(Rapporteur: Walter Smolders)

The Group noted that there exists no clear definition of the term "farmer's privilege" (FP)

The legal basis for FP is depending on the country narrow or not-existing (see Denmark). In countries where the FP principle is accepted, it is essentially derived from the equivalent of Article 5(1) of the UPOV Convention. Said Article can be understood to allow a farmer to regrow seeds under certain circumstances (whereby the circumstances are not specified, and it is not stated that regrowth is allowed without compensation to the breeder).

In certain countries, and for a number of species, FP has deteriorated to excesses that were certainly not envisaged by the legislator. The PBR system was i.a. set up to secure an adequate remuneration to the plant breeder. The prospective of an adequate remuneration constitutes the major incentive for a breeder to invest in plant breeding. The regrowth of seeds by the farmer without remuneration of the breeder under the alleged FP should therefore be stopped. It is however accepted that farmers do save seeds provided the breeder gets an adequate royalty.

It is noted that in particular in politically less sensitive areas (fruit trees) the FP has in certain countries been abolished or may de-facto be abolished. Major problems remain, i.a. with respect to cereals, grasses, potatoes, berries and in the horticultural area, but encouraging developments curtailing or aiming to curtail excesses under the FP are noted (see e.g. Nancy decision and Article 13(4), second paragraph, of the 6 star version of the Commission proposal for a Council Regulation (EEC) on Community Plant Variety Rights).

Seed cleaners and breeders and farmers' associations should be encouraged to develop a fair and feasible system to secure a royalty income for the breeder. Such system will presumably have to vary, depending on the plant species involved. For cereals, royalties may probably be set up such that there is a guarantee that both smaller farmers employing the services of mobile seed cleaners and "industrial" farmers having their own seed cleaning equipment pay their contribution. For other species, it would probably be more suitable to recoup a royalty based on sales of material of the variety, or else.

It seemed clear to the Group that there is no equivalent of the FP in the patent system. It is however admitted that it is very problematic to try and enforce patent rights against a (small) farmer.

It is not felt that the non-existence of FP in the patent system is in itself a sufficient reason for allowing patents for plant varieties. Rather should this difference be an incentive for UPOV to improve the PBR system such that the exemption is made equivalent to the exemption for private non-commercial purposes taking into account the public interest.

REPORT OF GROUP 4: "EXHAUSTION OF RIGHTS"

(Rapporteur: George Brock-Nannestad)

It was recognized that exhaustion of rights belongs rather to competition regulation by Society (anti-monopoly and anti-trust) than to patents and PBR. For instance, many states do not regulate exhaustion of patents in their patent laws.

Exhaustion was felt to mean the inability of a right to function against an act that would have constituted an infringement, had not the rights' holder already obtained a financial gain from his right.

It was recognized that in protected living material both the material as such and its function as a generator of more living material were protected by a right, and that exhaustion could be separate for each feature.

In view of the discussion of interface, a series of practical examples was discussed, and the following was taken as the current position:

Be they patents or PBRs, the only point of conflict between them is the instance when some patented biotechnological feature (material or process) is found useful for inclusion in a new variety. Such would require the consent of the patent holder before commercialisation.

Exhaustion could apply in each area as currently established.

The following condensed Statement was agreed upon as a workable definition common to patents and PBRs:

If no restriction is made at the point of sale or licence as to use (and if any restriction made is lawful), then the sale or licence exhausts the rights as far as material as such sold or licensed is concerned, be they patents and/or PBRs.

REPORT OF GROUP 5: "DOUBLE PROTECTION"

(Rapporteur: Dr. Brian W. Nash)

It was agreed that patent is a good way of protecting inventions relating to technology.

It was understood that if you want a bicycle with a dynamo you may need to take a licence from a person who owns a patent for a bicycle and to take a licence from a person who owns a patent for a dynamo.

We all are opposed to patents which are too broad or obviously invalid.

We noted in passing that if someone discovers a machine he can protect it simultaneously in Germany, by means of a patent or a Gebrauchsmuster".

We notice that the system as it exists today is working reasonably well and we felt there was no need to start completely from scratch.

We understood how it came about that Section 53(b) was written before modern biotechnology was born.

The patent and PBR system have worked reasonably well. PBR have the advantage that they can have a longer life than a patent.

There was some lack of understanding concerning the meaning and the consequences flowing from the ban in the UPOV Convention. Someone said it was like an uncertain boundary between countries. One person said leave it out of UPOV and leave it to the nations to decide.

If a new PV is developed some members wanted the right of choice between PBR or patent or the right to obtain both. It is nowadays possible to describe genetic data and to deposit seeds or plant cells and if a Patent Office felt unable to decide on whether or not a PV met the criteria for a PV it could pass this work out to a PBR office.

We all need new varieties and breeders need access to genetic material and if a PV is patented then the PV is not free for a breeder to work on and produce a new commercial variety. To put it another way if the source variety is covered by a patent then production of the new variety would need a licence.

We asked ourselves the question if someone develops by genetic engineering a better sugar beet which produces more sucrose and patents his invention, will the breeders who develop the PV display this characteristic have to take a licence: the consensus was yes.

REPORT OF GROUP 6: "COLLISION NORM"

(Rapporteur: Dr. Karl F. Gross)

Since the relation between patents and PVRs appeared to be of particular interest, we limited the term "collision" to the situation where a product falls under both titles i.e. a patent and a PVR.

What is the main concern?

Apparently this concern is that patentees might use their patents to prevent breeders from exploiting their PVRs.

Therefore the question is:

Is a collision norm necessary?

Experience from all other sectors suggests that this is not the case. It was felt that there is no need for such a norm at least as far as collision as defined above is concerned.

The main reasons for this attitude are:

- 1) The patentees' interest to earn a return on their investment in making and developing their inventions.
- 2) Interested parties are likely to solve such collision problems by voluntary licensing as for instance suggested in the Sydney Resolution of AIPPI of 1988.
- 3) To a large extent R & D in gen-technology is done by rather small highly specialized enterprises who would depend on cooperation with experienced breeders mainly through licensing.
- 4) The compulsory license regimes provided by existing patent laws are believed to be sufficient to cope with problems that might arise. In particular whenever there is a case of public interest a compulsory licence will be available in all major countries.
- 5) A patent is not an unlimited monopoly.

As a result of the discussion the Work Group came to the conclusion that a specific dependency licence for instance as the one suggested in Article 14 of the Draft Directive on Biotechnology is not necessary. It is believed that the circles concerned will behave reasonably. Should it turn out that this is not the case, then appropriate steps could be taken.

REPORT OF GROUP 7: "RESEARCH EXEMPTION"

(Rapporteur: Jasper E. Veldhuyzen van Zanten

The research exemption under patent laws sets free the use of a disclosed patent for developments and for scientific purposes.

Preparation for commercialization of a product, although it may be called an infringement, in practice leads to the situation that a new invention in the scope of an earlier patent can be patented, but that consent of the patent holder should be obtained for the use of his earlier patent.

Under present UPOV legislation research exemption exists automatically, because a breeder does not need the authorization from a holder of PBR in order to develop a new variety.

It was concluded, that under both patent and PBR legislation the research, meaning the development of new materials and methods, is free on the basis of either a disclosed patent or a released plant variety.

Disclosure and plant genotype being the subjects of release to "free" use by new developers, are wanted by the legislator for the sake of public interest.

Attention was drawn to the case in PBR of hybrid varieties. The release of the hybrid means the availability of the total genotype; therefore protective measures can and should be taken for the parent lines, that constitute the hybrid.

Breeder Y, using the research exemption, could be confronted with three different cases:

- 1. The use of Variety X, PBR protected.**
 - a) Any new variety, meeting the DUS requirements, will be free without obligations.**
 - b) Under dependency, Y may obtain PBR, but he needs authorization from X.**

- 2. The use of variety X, patented variety.**
 - a) A new variety meeting DUS requirements, may obtain PBR, but Y needs authorization from X under patent law.**
 - b) A new variety meeting novelty and obviousness requirements may obtain a product patent, but Y needs authorization from X under patent law.**

Y needs to pay a royalty to X to the extent in which Y's new variety will fall under the technical scope of X's patent, and to what extent Y's new variety will damage X's financial interests.

- 3. The use of variety X, variety containing a patented structure.**

Mutatis mutandis, case 2 will apply.

The group's recommendations were:

1. A protective provision for constituents of hybrid varieties.
2. A provision in patent legislation to define "plant variety" in the same way as UPOV, and create a common data base by obliging patented varieties to pass through the DUS examination procedure.
3. A clear statement on patent law that the use of patented genetic structures in research prior to commercialization will not be an infringement of either a patentholder's or a PBR holder's right.

There seems to be no need to define a special "breeders' exemption", as the word research exemption would cover in principle the same area of activity under both patent and PBR law.

REPORT OF GROUP 8: "DEPENDENCY (PVPs)

(Rapporteur: Dr. Douglas Gunary)

The current UPOV proposals (Article 5.3) introduce the idea of dependency between two plant variety rights. In order to answer more effectively the questions posed in the briefing document the group first considered the following questions:

1. What is essentially derived?
2. What is the relationship between dependency in Patents and in the Proposed Convention?

What is essential derived?

It was agreed that for a variety to be derived it should retain almost the totality of the genotype of the source variety. It should be understood that the objective is to take over the substantial amount of breeding effort which has gone into producing the initial variety and benefit by some small (in genetic terms) alteration.

The likely ways by which this might be achieved are:

- by mutation, which could, especially for ornamentals, lead to a dependent discovery;
- by back crossing)
- by gene insertion)

What is the relationship between dependency in Patents and in the Proposed Convention?

It was agreed that the use of the word "dependency" for both situations is misleading. In Patent Law dependency has a precise meaning. The concept exists of a patented invention which cannot be worked without making use of an already existing patent. Provided the patent criteria have been met, the second invention gives rise to a dependent patent. Case Law has been established as to the rights of the owners of the respective patents.

In the proposed revision of the convention the concept is of a derived variety. The concept has however frequently been referred to as a dependency system. There is no established Case Law and no relationship at all with the patent system.

The particular questions posed in the briefing document were then answered as follows:

1. Does the dependency system as in UPOV give an answer to the biotechnologist's demand for genuine protection?

If the biotech invention is protected by patent the answer is YES. This is because the biotechnologist wishes to ensure that biotechnology inventions are protected even though they exist in protected varieties. Thus the group accepted that, for example, a patent holder for a gene would have the exclusive right to license the use of that gene, wherever it performed the function for which the patent was granted, including in protected varieties.

2. Is the UPOV dependency system necessary to enable balance between inputs of:
- breeders (varieties)
 - patentees (genes)?

YES - provided that in Art 5 (3) of the proposed Revision Alternative I is selected. Thus the exclusive right of a patent holder to grant licences for the use of a gene is matched by the exclusive right of the breeder to grant licences for the use of a genotype. The precise arrangement between the holders of the respective rights would be a matter of normal commercial negotiation.

Public interest should be the only justification for issuing a compulsory licence.

3. Should a close similarity between varieties give rise to dependency?

If we mean phenotype - NO. It is a minimum distance issue.

If we mean genotype - YES. Precise details will have to be worked out on a species by species basis. New technology including RFLPs should be helpful here.

4. Should the owner of the source variety be able to prevent all use of the dependent variety?

The group's view was NO - because they wish to retain the research/breeder's exemption.

Should the owner of the source variety be able to prevent exploitation of the dependent variety?

The group's answer here was YES because of their views on Article 5(3). Alternative 1, expressed earlier. There was a single minority view who expressed some reservation on this position.

Infringement

As a final comment the group wished to refer to the practical implementation of the dependency system. They felt that it was up to the owner of the source variety to make the claim of infringement and to provide the necessary evidence.

REPORT OF GROUP 9: "DEFINITION OF MATERIAL OF THE VARIETY"

(Rapporteur: Gérard J. Urselmann)

The Group, after a short discussion, concluded that the above subject relates to the scope of protection and should not be referred to in the definition of "variety".

It was expressed that all product obtained from the variety fall under a potential definition. As these products on one hand consists of reproductive material, enabling regeneration into the whole plants, and otherwise could be extractions from the variety (like e.g. oil, perfume, protein, etc.), it was felt appropriate to keep them separate in a definition.

So in conclusion the group felt it appropriate to define "material to the variety" as follows:

"Reproductive products of the variety plus all other products obtained directly or indirectly from the variety".

Many valuable remarks were made during the discussions for which both NGO and GO members are thanked for.

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