



Via e-mail

INTERNATIONAL UNION FOR THE PROTECTION OF NEW
VARIETIES OF PLANTS (UPOV)
Administrative and Legal Committee

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Hamburg, 18 October 2017

Dear members and observers of the UPOV CAJ,

CIOPORA is very pleased to contribute to the meeting of the CAJ on 23 and 24 October.

1. Firstly, CIOPORA would like to provide its comments to the comments of the Russian Federation on the Explanatory Notes on EDV, Provisional Protection and Conditions and Limitations concerning the Breeder's Authorization in Respect of Propagating Material.

For the sake of convenience the comments are included in the attached extract of document CAJ/74/2, DEVELOPMENT OF INFORMATION MATERIALS CONCERNING THE UPOV CONVENTION, on pages 7, 8, 9, 10, 13, 16 and 19.

CIOPORA is of the opinion that the current wording of the EDV provision is not sufficiently clear to regulate this important aspect of Plant Breeders' Rights. The intensive discussions in the UPOV CAJ-AG and the CAJ in the past years and the still vague and disputed result (in form of the current EXN) show that it will be difficult to clarify the matter on the basis of the current wording of the EDV provision.

CIOPORA, therefore, would like to invite the CAJ to consider the set-up of a small working group, including representatives of breeders, which would work on a new and advanced wording of the EDV provision, with the aim to prepare a revision of this clause in the future. CIOPORA will be pleased to contribute to this working group.

2. Secondly, CIOPORA would like to raise the awareness of the CAJ of the topic of Minimum Distance / Distinctness, namely the questions
 - whether characteristics used for uniformity and stability could differ from those used for distinctness under the UPOV 1978 Act and the UPOV 1991 Act,
 - whether a differentiation of important characteristics and unimportant characteristics for the evaluation of Distinctness is permissible under the UPOV 1978 Act and the UPOV 1991 Act,
 - whether it is permissible under the UPOV 1978 Act and the UPOV 1991 Act to apply different rules for the evaluation of Distinctness for vegetatively reproduced ornamental and fruit species versus seed propagated agriculture and vegetable species.

Background of the discussion is the joint request of the breeders of asexually reproduced ornamental and fruit varieties, organized in CIOPORA, and the horticultural producers, organized in AIPH, to have sufficient minimum distance between varieties for an effective Plant Variety Right.

So far the matter has been discussed on a technical level in the TWO and the TWF, and the TC took note of it.

- The TC in its 52nd session noted a presentation of CIOPORA / AIPH and a presentation of ESA. The TC in its 53rd session agreed to include a discussion on Minimum Distance between Varieties in the agenda of its 54th session.
- A Case study on Minimum Distances between vegetatively reproduced ornamental and fruit varieties was conducted by the CPVO and some of its Examination Offices and CIOPORA, and was discussed in the 50th session of the TWO and the 48th session of the TWF.
- The TWO in its 50th session noted that one of the outcomes of the case study was a request for clarification on whether characteristics used for uniformity and stability could differ from those used for distinctness.
- The TWF noted in its 48th session with the TWO that one of the outcomes of the case study was a request for clarification on whether characteristics used for uniformity and stability could differ from those used for distinctness.
- The TWF further noted that breeders in the fruit sector were defining the importance of a characteristic by the commercial value the characteristic could express. It further noted that some breeders (e.g. flower and fruit) are looking for larger differences between varieties (e.g. broad distance) when in other crops (e.g. agricultural or vegetables) breeders are looking for smaller differences (i.e. small distance). The TWF recalled that the General Introduction stated that characteristics used for DUS examination should exhibit sufficient variation between varieties to be able to establish distinctness. The TWF agreed that such an approach may have an implication on the use of the General Introduction.

The TWO and TWF brought up the questions listed above.

The questions listed above are legal questions, and therefore CIOPORA is of the opinion that the CAJ is the competent body to consider them. The answers to the questions may have an influence inter alia on the use of TG 1/3 (General Introduction) and TG 9 (Examining Distinctness).

Minimum Distance is on the agenda of the 54th session of the TC in 2018 and CIOPORA would like to invite the CAJ to consider to participate in this discussion of the TC.

CIOPORA will be pleased to contribute further to these important matters.

Respectfully yours,

CIOPORA

A handwritten signature in blue ink, appearing to read 'E. Krieger', is positioned below the printed name.

Dr. Edgar Krieger
Secretary General

Proposal of the Russian Federation in view of a possible revision of document UPOV/EXN/PRP/2

Comments of the Russian Federation

10. The CAJ, at its seventy-third session, noted the comments of the Russian Federation on document UPOV/EXN/EDV/2 Draft 7, which were circulated to the CAJ on October 24, 2016. The CAJ agreed to consider the relevant elements of those comments, at its seventy-fourth session, with a view to developing guidance in a future revision of document UPOV/EXN/EDV.¹⁰

11. By UPOV Circular E-17/113 of July 5, 2017, the CAJ was invited to send any comments and/or proposals in relation to the comments from the Russian Federation with a view to a possible revision of document UPOV/EXN/EDV/2 to the Office of the Union by August 4, 2017.

12. The Office of the Union received, on June 13, 2017, a submission from the Russian Federation with some modifications to the presentation of its comments and in order to refer to document UPOV/EXN/EDV/2. The updated comments from the Russian Federation were circulated with UPOV Circular E-17/113 and are reproduced in Annex II, Appendix 1. Document UPOV/EXN/EDV/2 can be consulted at the CAJ/74 page: http://www.upov.int/meetings/en/details.jsp?meeting_id=44404.

13. In reply to UPOV Circular E-17/113, the Office of the Union received comments from France, Switzerland and joint comments from ESA and ISF. Those comments are reproduced in Annex II, Appendixes 1 to 3, respectively.

14. The updated comments from the Russian Federation (Annex II, Appendix 1) are presented below after the relevant extract from document UPOV/EXN/EDV/2.

Extract from document UPOV/EXN/EDV/2 (paragraph 1)

1. The Diplomatic Conference for the Revision of the International Convention for the Protection of New Varieties of Plants, held in Geneva from March 4 to 19, 1991 (Diplomatic Conference), adopted the following resolution:

“Resolution on Article 14(5)

“The Diplomatic Conference for the Revision of the International Convention for the Protection of New Varieties of Plants held from March 4 to 19, 1991, requests the Secretary-General of UPOV to start work immediately after the Conference on the establishment of draft standard guidelines, for adoption by the Council of UPOV, on essentially derived varieties.”

Proposal by the Russian Federation

1. Paragraph 1 with the relevance to the resolution of the Diplomatic Conference to be excluded from preamble, because it is being more than 25 years after the appeal to the Secretary General of UPOV to **immediately start** the development of guidance on Article 14(5).

Extract from document UPOV/EXN/EDV/2 (paragraph 2)

2. These Explanatory Notes provide guidance on “Essentially Derived Varieties” under the 1991 Act of the International Convention for the Protection of New Varieties of Plants (UPOV Convention). The purpose of this guidance is to assist members of the Union and relevant stakeholders in their considerations in matters concerning essentially derived varieties. The only binding obligations on members of the Union are those contained in the text of the UPOV Convention itself, and these Explanatory Notes must not be interpreted in a way that is inconsistent with the relevant Act for the member of the Union concerned.

Proposal by the Russian Federation

¹⁰ See document [CAJ/73/10](#) “Report on the Conclusions”, paragraph 13.

Proposal of the Russian Federation in view of a possible revision of document UPOV/EXN/PRP/2

2. It would be more concise to discard the first sentence in the paragraph 2 and keep the second sentence with the following adjustment: “ *.in accordance with the 1991 Act of the UPOV Convention*”.

Proposal of the Russian Federation in view of a possible revision of document UPOV/EXN/PRP/2

Extract from document UPOV/EXN/EDV/2 (Section I: Provisions of Essentially Derived Varieties)

SECTION I: PROVISIONS OF ESSENTIALLY DERIVED VARIETIES

(a) Relevant provisions of the 1991 Act of the UPOV Convention

THE RIGHTS OF THE BREEDER

Article 14

Scope of the Breeder's Right

[...]

Proposal by the Russian Federation

3. The heading "THE RIGHTS OF THE BREEDER" before quoting the Article 14 is unnecessary. Subparagraphs 14(5)(ii) and (14)(5)(iii), as well as the footnotes are irrelevant to the EDV, but to "*certain other varieties*", thus creates unnecessary link in the document.

Extract from document UPOV/EXN/EDV/2 (paragraphs 4 and 5)

4. The requirement of predominant derivation from an initial variety means that a variety can only be essentially derived from one initial variety. The intention is that a variety should only be essentially derived from another variety when it retains virtually the whole genotype of the other variety. A derived variety could not, in practice, retain the expression of the essential characteristics of the variety from which it is derived unless it is almost entirely derived from that initial variety.

5. The phrase "while retaining the expression of the essential characteristics" requires that the expression of the essential characteristics conforms to and be derived from the initial variety.

Proposal by the Russian Federation

4. Paragraphs 4 and 5 are repeating the information provided in the Convention, however in a more complicated and confusing way.

Extract from document UPOV/EXN/EDV/2 (paragraph 6)

6. The following might be considered in relation to the notion of "essential characteristics":

(i)essential characteristics, in relation to a plant variety, means heritable traits that are determined by the expression of one or more genes, or other heritable determinants, that contribute to the principal features, performance or value of the variety;

(ii)characteristics that are important from the perspective of the producer, seller, supplier, buyer, recipient, or user;

(iii)characteristics that are essential for the variety as a whole, including, for example, morphological, physiological, agronomic, industrial and biochemical characteristics;

(iv)essential characteristics may or may not be phenotypic characteristics used for the examination of distinctness, uniformity and stability (DUS);

(v)essential characteristics are not restricted to those characteristics that relate only to high performance or value (for instance, disease resistance may be considered as an essential characteristic when the variety has susceptibility to disease);

(vi)essential characteristics may be different in different crops/species.

Proposal of the Russian Federation in view of a possible revision of document UPOV/EXN/PRP/2

Proposal by the Russian Federation

5. Paragraph 6. It is impossible to make determination of a new variety based on the need of examination of additional characteristics that are absent in DUS Test Guidelines (such as "*performance*", "*value of the variety*", "*characteristics that are important from the perspective of the producer, seller, supplier, buyer, recipient or user*", "*characteristics that are essential for the variety as a whole*"). Such kind of characteristics should not be included in DUS Test Guidelines for different crops and species. Thus, it is the question of relevance of existence of the paragraph 6 in the document.

Extract from document UPOV/EXN/EDV/2 (paragraph 7)

7. The phrase "it is clearly distinguishable from the initial variety" establishes that essential derivation is concerned only with varieties that are clearly distinguishable, in accordance with Article 7, from the initial variety and which are accordingly protectable. Article 14(5)(a)(ii) would apply if the variety is "not clearly distinguishable in accordance with Article 7 from the protected variety".

Proposal by the Russian Federation

6. Paragraph 7. The first phrase states "...*it is clearly distinguishable from the initial variety*" ...*is concerned only with varieties that are clearly distinguishable, in accordance with Article 7...*" However, there is no additional explanation for understanding needed. The second sentence on the possibility of application of Article 14(5)(a)(ii) "*if the variety is "not clearly distinguishable in accordance with Article 7 from the protected variety"*" is wrong. Article 14(5)(a)(ii) has no reference to EDVs. Thus, it is the question of relevance of existence of the paragraph 7 in the document.

Extract from document UPOV/EXN/EDV/2 (paragraphs 8, 9, 10 and 11)

8. A judgment on the question on the degree of conformity must be reached on the basis of the essential characteristics which result from the genotype of the initial variety.

9. The words "except for the differences which result from the act of derivation" do not set a limit to the amount of difference which may exist where a variety is considered to be essentially derived. A limit is, however, set by Article 14(5)(b)(i) and (iii). The differences must not be such that the variety fails "to retain the expression of the essential characteristics that result from the genotype or combination of genotypes of the initial variety".

10. The examples given in Article 14(5)(c) make clear that the differences which result from the act of derivation should be one or very few. However, if there are only one or few differences that does not necessarily mean that a variety is essentially derived. The variety would also be required to fulfil the definition stated in Article 14(5)(b).

11. The derived variety must retain almost the totality of the genotype of the initial variety and be different from that variety by a very limited number of characteristics.

Proposal by the Russian Federation

7. There are unacceptable conditions for EDVs in paragraphs 8, 9, 10, 11 therefore, the paragraphs should be removed.

CIOPORA would like to repeat that the wording of Article 14 (5) (b) (i) is contradictory to (iii). CIOPORA does not agree to the statement in paragraph 9 above that indents (i) and (iii) set a limit to the amount of difference between an Initial Variety and an EDV. The UPOV CAJ is invited to consider the contradiction between (i) and (iii). Many UPOV

Proposal of the Russian Federation in view of a possible revision of document UPOV/EXN/PRP/2

members, including the EU, have not included the last half sentence of (i) into their national PBR legislation, probably because they wanted to avoid such contradiction.

Additionally, CIOPORA would like to repeat that the examples given in Article 14(5)(c) DO NOT make clear that the differences which result from the act of derivation should be one or very few. E.g. a mutation can and does very often show significant and numerous differences to its Initial Variety. CIOPORA would therefore be hesitant to agree to paragraph 10.

Therefore, CIOPORA supports the proposal by the Russian Federation to remove paragraphs 8 - 11

Proposal of the Russian Federation in view of a possible revision of document UPOV/EXN/PRP/2

Extract from document UPOV/EXN/EDV/2 (paragraph 13)

13. The use of the word “may” in Article 14(5)(c) indicates that those ways may not necessarily result in an essentially derived variety. In addition, the Convention clarifies that those are examples and do not exclude the possibility of an essentially derived variety being obtained in other ways.

Proposal by the Russian Federation

8. *Paragraph 13* makes the link of explanation to the word “**may**” in Convention. However, this is rather the explanation of the words “**for example**”.

Extract from document UPOV/EXN/EDV/2 (paragraph 14 and 15)

14. There is a need to consider the situation in different crops and species and the method of breeding in the determination of essentially derived varieties.

15. Whether a mutation is naturally or artificially induced is irrelevant. For instance, the genetic change may result in a mutant that no longer retains the expression of the essential characteristics that result from the genotype of the initial variety.

Proposal by the Russian Federation

9. *Paragraphs 14 and 15* should be removed because it is inappropriate to continuously complicate the process of determination of EDVs, i.e. inclusion of additional testing.

While CIOPORA agrees to paragraph 14, CIOPORA supports the removal of paragraph 15.

Extract from document UPOV/EXN/EDV/2 (paragraph 17)

17. In the example in Figure 1, variety B is an essentially derived variety from variety A and is predominantly derived from variety A.

Proposal by the Russian Federation

10. *Paragraph 17* mentions terms “**essentially derived varieties**” and “**predominantly derived varieties**” in one sentence that may bring the confusion of understanding that these terms are different, rather than *synonyms* in fact.

Extract from document UPOV/EXN/EDV/2 (paragraph 23)

23. Figures 3 and 4 provide a summary of the situation described above. It is important to note that the scope of the breeder’s right is only extended to essentially derived varieties in respect of a protected initial variety. In that regard, it should also be noted that a variety which is essentially derived from another variety cannot be an initial variety (see Article 14(5)(a)(i)). Thus, in figure 3, the rights of Breeder 1 extend to EDV “B”, EDV “C” and EDV “Z”. However, although EDV “C” is predominantly derived from EDV “B”, Breeder 2 has no rights as far as EDV “C” is concerned. In the same way, Breeders 2 and 3 have no rights as far as EDV “Z” is concerned. Another important aspect of the provision on essential derivation is that no rights extend to essentially derived varieties if the initial variety is not protected. Thus, in figure 4, if variety “A” was not protected or if variety “A” is no longer protected (e.g. because of expiration of the period of protection, or cancellation or nullification of the plant breeders’ rights), the authorization of Breeder 1 would no longer be required to be able to commercialize varieties “B”, “C” and “Z”.

Proposal of the Russian Federation in view of a possible revision of document UPOV/EXN/PRP/2

Proposal by the Russian Federation

11. Elimination of the need to obtain authorization from the breeder of the initial variety for commercialization of a variety derived by third parties (each independently) simplifies the use of derived varieties in the protected territory. Thus, it would be reasonable to supplement the *paragraph 23* with sub-paragraph 23.1 (place it after the Figure 4) as follows:

“23.1. The breeder of the protected derived variety may obtain an authorization for commercialization of the variety (issue of licenses to the third parties on behalf of the breeder) in the form of exclusive license agreement with the breeder of initial variety”.

Extract from document UPOV/EXN/EDV/2 (paragraph 24)

24. The scope of the breeder's right applies only to the territory of a member of the Union where the breeder's right has been granted and is in force. Therefore, the breeder of an initial variety only has rights in relation to an essentially derived variety if the initial variety is protected in the territory concerned. Furthermore, the breeder of an essentially derived variety only has rights in relation to that variety if it is protected in its own right in the territory concerned, or if the breeder of the essentially derived variety is also the breeder of the initial variety and the initial variety is protected in the territory concerned.

Proposal by the Russian Federation

12. According to the provision of Article 14(1)(a)(vi), it might be necessary to supplement *paragraph 24* with the following text: *“In case of discrepancy between initial and the derived varieties' protection territories the breeder's right for the initial variety is extended to imported material of derived variety in the protection territory of the initial variety.”*

CIOPORA agrees to this proposal of the Russian Delegation.

Extract from document UPOV/EXN/EDV/2 (paragraph 25)

25. Members of the Union which amend their legislation in line with the 1991 Act of the UPOV Convention may choose to offer the benefits of the 1991 Act to varieties which were protected under an earlier law. Thus, it is possible for members of the Union to offer the scope of protection provided by Article 14(5) to varieties which were granted protection under an earlier law. However, it should be noted that the conferring of the new scope of rights on a previously protected initial variety could impose new requirements concerning the commercialization* of essentially derived varieties, for which the breeder's authorization was not previously required.

Proposal by the Russian Federation

13. Members of the Union acceding to the 1991 Act of the Convention under *paragraph 25* of the current draft are encouraged to choose whether to extend the provisions of Article 14(5) to the generally known before the date of accession to the 1991 Act varieties. We believe there shouldn't be dual approaches used. All members of the Union acceding to the 1991 Act should follow the provisions of Article 14(5) of the 1991 Act concerning all protected varieties regardless of the date of registration. Thus it would be reasonable to adjust the first sentence in the *paragraph 25* as follows: “Members of the Union which amend their legislation in line with the 1991 Act of the UPOV Convention should cover the extension of the provisions of Article 14(5) to the generally known varieties”.

CIOPORA appreciates the proposal of the Russian Federation, but would suggest to the CAJ to consider further the consequences of such approach.

* “Commercialization” encompasses the acts concerning a protected variety which require the authorization of the breeder according to Article 14(1) to (4) of the 1991 Act of the UPOV Convention.

Proposal of the Russian Federation in view of a possible revision of document UPOV/EXN/PRP/2

Extract from document UPOV/EXN/EDV/2 (paragraph 26)

26. One means of dealing with such a situation is the following: for varieties for which protection was granted under the earlier law and for which there is a remaining period of protection which falls under the new law, to limit the scope of rights on a protected initial variety to essentially derived varieties whose existence was not a matter of common knowledge at the time that the new law came into effect. With respect to varieties whose existence is a matter of common knowledge, the General Introduction to the Examination of Distinctness, Uniformity and Stability and the Development of Harmonized Descriptions of New Varieties of Plants (Document [TG/1/3](#)) explains the following:

“5.2.2 Common Knowledge

“5.2.2.1 Specific aspects which should be considered to establish common knowledge include, among others:

“(a) commercialization of propagating or harvested material of the variety, or publishing a detailed description;

“(b) the filing of an application for the grant of a breeder’s right or for the entering of a variety in an official register of varieties, in any country, which is deemed to render that variety a matter of common knowledge from the date of the application, provided that the application leads to the grant of a breeder’s right or to the entering of the variety in the official register of varieties, as the case may be;

“(c) existence of living plant material in publicly accessible plant collections.

“5.2.2.2 Common knowledge is not restricted to national or geographical borders.”

Proposal by the Russian Federation

14. The content of the paragraph 26 does not refer to the content of the document thus its presence is unnecessary.

Extract from document UPOV/EXN/EDV/2 (Section II)

SECTION II: ASSESSMENT OF ESSENTIALLY DERIVED VARIETIES

27. A decision on whether to grant protection to a variety does not take into account whether the variety is essentially derived or not: the variety will be protected if the conditions for protection as set out in Article 5 of the UPOV Convention are fulfilled (novelty, distinctness, uniformity, stability, variety denomination, compliance with formalities and payment of fees). If it is concluded that the variety is an essentially derived variety, the breeder of that essentially derived variety still has all the rights conferred by the UPOV Convention. However, the breeder of the protected initial variety will *also* have rights in that variety irrespective of whether the essentially derived variety is protected or not.

28. The purpose of this Section is to provide guidance on assessing whether a variety is essentially derived and not whether the variety meets the requirements for the grant of a breeder’s right.

29. Both predominant derivation (e.g. evidence of genetic conformity with the initial variety) and conformity on the essential characteristics (e.g. evidence on conformity in the expression of the essential characteristics of the initial variety) are possible starting points in providing an indication that a variety might be essentially derived from the initial variety.

30. In some situations, relevant information provided by the breeder of the initial variety on predominant derivation and/or on conformity on the essential characteristics might be used as the basis for the reversal of the burden of proof. In such situations, the other breeder might need to prove that the other variety is not essentially derived from the initial variety. For instance, the other breeder would need to provide information on the breeding history of the other variety to prove that the variety was not essentially derived from the initial variety.

31. UPOV has established a section on its website (UPOV SYSTEM: Legal Resources: Jurisprudence: http://www.upov.int/about/en/legal_resources/case_laws/index.html) where case law relevant to plant breeders’ rights, including case law concerning essentially derived varieties, is published.

Proposal of the Russian Federation in view of a possible revision of document UPOV/EXN/PRP/2

Proposal by the Russian Federation

15. *Section II* of the document leads to complication of the provision of determination of EDVs as there are responsible authorities and relevant examinations of the varieties for such purposes. Therefore we offer to consider the following version of the Section II instead:

"Section II "Registration of protected initial variety's rights' extension to essentially derived varieties"

27. *An applicant (breeder) shall indicate the history of breeding (creation) of the variety in the application materials (the application form) for granting the breeder's right or application materials (the application form) for including the variety in the National List. At the stage of preliminary examination of the application the competent authority of the member of the Union examines the completeness of the information on the new variety and requests additional information if applicable.*

28. *A request to determine variety to the category "essentially derived varieties" and to denominate the initial variety is prepared by the authority based on the information containing the origin of the variety and DUS examination, and is published in the official Bulletin.*

29. *Comments on the application materials submitted within six months after the publication are to be agreed with stakeholders.*

30. *The decision of competent authority concerning the determination of variety to the category of essentially derived varieties and denomination of the initial variety may be appealed in accordance with national legislation.*

31. *In the case of the protection of the initial variety in the territory of the member of the Union, the competent authority requests to submit a license agreement with the breeder of the initial variety about the conditions commercialization of the propagating material of EDV when registering the breeder's right for EDV.*

32. *Interrelation between essentially derived varieties (protected and unprotected by private right) and the protected initial variety is reflected by the competent authority by publishing the information about varieties used in own territory, including the UPOV website.*

33. *A provision similar to paragraph 34 should be developed in respect of varieties which production requires multiple usage of protected variety (Article 14(5)(a)(iii))."*

[End of proposals by the Russian Federation on document UPOV/EXN/EDV/2]

Joint proposal from ISF/ESA

15. The CAJ, at its seventy-third session, considered the joint proposal from ISF/ESA for paragraphs 20 and 21 of document UPOV/EXN/EDV/2 Draft 7 and the comment received from the Delegation of the Russian Federation, as provided in document CAJ/73/2, paragraph 11.¹¹

16. The CAJ agreed that the joint proposal from ISF and ESA would benefit from clarification and agreed to consider that matter further with a view to developing guidance in a future revision of document UPOV/EXN/EDV, at its seventy-fourth session.¹² The updated proposal of ISF and ESA is reproduced below.

"20. Another example of a way in which it might be possible to obtain EDV from an initial variety could be the physical use of a hybrid variety to obtain a variety which is essentially derived from one of the parent lines of the hybrid. In such a case the parent line is the initial variety. The hybrid is obtained by using the initial variety and the EDV is obtained by using the hybrid. It might be that the breeder of the EDV did not use the initial variety himself, but by using the hybrid he is using a variety that is derived from the initial variety. This means the initial variety has been used in the derivation process."

¹¹ See document [CAJ/73/10](#) "Report on the Conclusions", paragraph 11.

¹² See document [CAJ/73/10](#) "Report on the Conclusions", paragraph 12.

Proposal of the Russian Federation in view of a possible revision of document UPOV/EXN/PRP/2

Alternative dispute settlement mechanisms for matters concerning essentially derived varieties

17. The CAJ, at its seventy-third session, noted that a meeting of the Office of the Union with the International Community of Breeders of Asexually Reproduced Ornamental and Fruit Varieties (CIOPORA), ISF and the World Intellectual Property Organization (WIPO) had been tentatively scheduled to take place during the first quarter of 2017 in order to explore the possible role of UPOV in alternative dispute settlement mechanisms for matters concerning essentially derived varieties, including the provision of experts on EDV matters, as set out in paragraphs 14 and 15 of document CAJ/73/2.¹³

18. On January 10, 2017, CIOPORA and ISF requested the Office of the Union to postpone the meeting on alternative dispute settlement mechanisms between the Office of the Union with WIPO, ISF and CIOPORA to allow more time for internal discussions and further coordination between CIOPORA and ISF, before the meeting takes place. Any developments with regard to a meeting will be reported at future sessions of the CAJ.

19. *The CAJ is invited to:*

(a) consider a possible revision of the “*Explanatory Notes on Essentially Derived Varieties under the 1991 Act of the UPOV Convention*” (Revision) (see document UPOV/EXN/EDV/2); and

(b) note the request of CIOPORA and ISF to postpone the meeting of the Office of the Union with CIOPORA, ISF and WIPO in order to explore the possible role of UPOV in alternative dispute settlement mechanisms for matters concerning essentially derived varieties, including the provision of experts on EDV matters, as set out in paragraph 18 of this document.

CIOPORA is of the opinion that the current wording of the EDV provision is not sufficiently clear to regulate this important aspect of Plant Breeders’ Rights. The intensive discussions in the UPOV CAJ-AG and the CAJ in the past years and the still vague and disputed result (in form of the current ENX) show that it will be difficult to clarify the matter on the basis of the current wording of the EDV provision.

CIOPORA, therefore, would like to invite the CAJ to consider the set-up of a small working group, including representatives of breeders, which would work on a new and advanced wording of the EDV provision, with the aim to prepare a revision of this clause in the future.

Possible revision of the Explanatory Notes on Conditions and Limitations Concerning the Breeder's Authorization in Respect of Propagating Material under the UPOV Convention (document UPOV/EXN/CAL/1)

20. The CAJ, at its seventy-third session, considered the request of the Russian Federation of a possible revision of the Explanatory Notes on Conditions and Limitations Concerning the Breeder's Authorization in Respect of Propagating Material under the UPOV Convention (document UPOV/EXN/CAL/1) and requested the Office of the Union to send a circular to the CAJ circulating the proposals by the Russian Federation and requesting any additional proposals for revision of document UPOV/EXN/CAL/1. The replies to the Circular would be considered by the CAJ, at its seventy-fourth session. The CAJ would then decide whether to start the revision of document UPOV/EXN/CAL/1.¹⁴ Document UPOV/EXN/CAL/1 can be consulted at the CAJ/74 page: http://www.upov.int/meetings/en/details.jsp?meeting_id=44404.

21. By UPOV Circular E-17/111 of July 5, 2017, the CAJ was invited to send any comments and/or proposals in relation to the comments from the Russian Federation with a view to a possible revision of document

¹³ See document [CAJ/73/10](#) “Report on the Conclusions”, paragraph 14.

¹⁴ See document [CAJ/73/10](#) “Report on the Conclusions”, paragraph 19.

Proposal of the Russian Federation in view of a possible revision of document UPOV/EXN/PRP/2

UPOV/EXN/CAL/1 to the Office of the Union by August 4, 2017. The comments of the Russian Federation circulated with UPOV Circular E-17/111 are reproduced below and in Annex III.

22. In reply to UPOV Circular E-17/111, the Office of the Union received comments from France, Switzerland and joint comments from ESA and ISF. Those comments are reproduced in Annex III, Appendixes 1 to 3 respectively.

Proposal of the Russian Federation in view of a possible revision of document UPOV/EXN/PRP/2

Extract from document UPOV/EXN/CAL/1 (Preamble)

PREAMBLE

1. The purpose of these Explanatory Notes is to provide guidance concerning the conditions and limitations to which the breeder's authorization may be subject, for acts in respect of propagating material (Article 14(1) of the 1991 Act and Article 5(2) of the 1978 Act), under the International Convention for the Protection of New Varieties of Plants (UPOV Convention). The only binding obligations on members of the Union are those contained in the text of the UPOV Convention itself, and these Explanatory Notes must not be interpreted in a way that is inconsistent with the relevant Act for the member of the Union concerned.

Proposal by the Russian Federation

1. The conceptual statement of the preamble of all Explanatory Notes "...Explanatory Notes must not be interpreted in a way that is inconsistent with the relevant Act for the member of the Union concerned" means that:

- Developers / drafters of Explanatory Notes are imposed to a responsibility not to distort relevant legal provisions of the concerned Act of the UPOV Convention, and
- Explanatory Notes should not include any legal regulations except those contained in the text of the UPOV Convention itself.

Extract from document UPOV/EXN/CAL/2 (paragraph 3)

3. For illustrative purposes, examples of conditions and limitations which a breeder might include are:

- (i) remuneration – level of remuneration (e.g. linked to quantity of propagating material, area sown with the propagating material, amount or value of material produced from the propagating material etc.), timing and method of payment, etc.;
- (ii) period of authorization;
- (iii) method by which the authorized acts may be undertaken (e.g. method of production or reproduction, export routes etc.);
- (iv) quality and quantity of material to be produced;
- (v) territory(ies) covered by the authorization for export;
- (vi) conditions under which the person authorized may license/sub-license other parties to conduct the authorized acts on their behalf;

Proposal by the Russian Federation

2. Considering the above mentioned we suppose that phrases: "amount of... material produced from the propagating material", "method of payment" in subparagraph (i), as well as phrase "quantity of material" in subparagraph (iv) of paragraph 3 of the document considered, should be deleted (see explanation below).

Explanation:

Breeder's right does not extend on acts in respect of material of a protected variety which had been marketed by breeder or with his consent in the territory of Contracting Party (Article 16 of 1991 Act of the UPOV Convention). Therefore, breeder's remuneration cannot be dependent on amount of material, grown from propagating material.

Licensee and the third parties are not burdened with liability to the breeder when producing plant / harvested material from propagating material. We believe that there are no options for payment methods (cash or by transfer) of remuneration to the breeder.

Proposal of the Russian Federation in view of a possible revision of document UPOV/EXN/PRP/2

Payment of remuneration to the breeder shall be in the respective currency of the country of protection of a variety without any options ("methods"). For example, payment in-kind (product, service, etc.) without proper cash registration is illegitimate.

We also believe that it is illegal (monopoly) for the breeder to regulate the quantity of propagating material to be produced by licensee.

3. We suggest considering amendments of the subparagraphs of paragraph 3 considered as follows:

"(i) remuneration - level of remuneration (e.g. linked to quantity (value) of propagating material grown or realized (for the varieties covered by a national law related to exceptions to the breeder's right under Article 15(2)), or area sown with the propagating material, ~~amount or value of material produced from the propagating material etc.~~), timing and ~~method of payment, etc.~~ the size of penalties for violation of payment timing";

"(iv) ~~quality and quantity~~ quality of material to be produced,

We also think it would be applicable to supplement paragraph 3 with the following subparagraph:

"() right of the licensor or their authorized representative for familiarize with appropriate documents of the licensee in respect of propagating material".

CIOPORA is not in the position to support the proposals made by the Russian Federation.

23. *The CAJ is invited to consider a possible revision of the "Explanatory Notes on Conditions and Limitations Concerning the Breeder's Authorization in Respect of Propagating Material under the UPOV Convention" (document UPOV/EXN/CAL/1).*

Possible revision of the Explanatory Notes on Provisional Protection under the UPOV Convention (document UPOV/EXN/PRP/2)

24. The Council, at its forty-ninth ordinary session,¹⁵ adopted a revision of document UPOV/EXN/PRP/1 "Explanatory Notes on Provisional Protection under the UPOV Convention" (document UPOV/EXN/PRP/2), on the basis of document UPOV/EXN/PRP/2 Draft 4.¹⁶ Document UPOV/EXN/PRP/2 can be consulted at the CAJ/74 page: http://www.upov.int/meetings/en/details.jsp?meeting_id=44404

25. The Council, at its forty-ninth ordinary session, noted the request by the Delegation of the Russian Federation to discuss a possible future revision of the "Explanatory Notes on Provisional Protection under the UPOV Convention" at the seventy-third session of the CAJ.¹⁷

26. The Chair of the CAJ, at the forty-ninth ordinary session of the Council, noted the request by the Delegation of the Russian Federation to discuss a possible future revision of the "Explanatory Notes on Provisional Protection under the UPOV Convention" at the seventy-third session of the CAJ.¹⁸

27. The CAJ, at its seventy-third session, considered the request of the Russian Federation for a revision of the "Explanatory Notes on Provisional Protection under the UPOV Convention" (document UPOV/EXN/PRP/2) and requested the Office of the Union to send a circular to the CAJ circulating the proposals by the Russian Federation and requesting any additional proposals for revision of document UPOV/EXN/PRP/2. The replies to the Circular would be considered by the CAJ, at its

¹⁵ Held in Geneva, October 29, 2015.

¹⁶ See document [C/49/18](#) "Report on the Decisions", paragraph 27.

¹⁷ See document [C/49/18](#) "Report on the Decisions", paragraph 26.

¹⁸ See document [C/49/18](#) "Report on the Decisions", paragraph 48.

Proposal of the Russian Federation in view of a possible revision of document UPOV/EXN/PRP/2

seventy-fourth session. The CAJ would then decide whether to start the revision of document UPOV/EXN/PRP/2.¹⁹

28. By UPOV Circular E-17/112 of July 5, 2017, the CAJ was invited to send any comments and/or proposals in relation to the comments from the Russian Federation with a view to a possible revision of document UPOV/EXN/PRP/2 to the Office of the Union by August 4, 2017. The comments of the Russian Federation circulated with UPOV Circular E-17/112 are reproduced below.

29. In reply to UPOV Circular E-17/112, the Office of the Union received comments from France, Switzerland and joint comments from ESA and ISF. Those comments are reproduced in Annex IV, Appendixes 1 to 3 respectively.

Extract from document UPOV/EXN/PRP/2 (Preamble)

PREAMBLE

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

Proposal by the Russian Federation

1. Taking into consideration the statement of the Explanatory Notes: “*The only binding obligations on members of the Union are those contained in the text of the UPOV Convention itself, and these Explanatory Notes must not be interpreted in a way that is inconsistent with the relevant Act for the member of the Union concerned*” the Russian Federation experts are of the opinion that provisional protection under the UPOV Convention is applicable only in respect of acts which would require the authorization of the breeder after the right is granted. Provisional protection is not valid if the breeder’s right shall not be granted.

Extract from document UPOV/EXN/PRP/2 (Section II, paragraphs 9 and 13 “Example Provision”)

9. Provisional protection is valid only in relation to acts that would require the breeder’s authorization “once the right is granted”. The UPOV Convention requires (see Article 30(1)(iii) of the 1991 Act and Article 30(1)(c) of the 1978 Act) that the public is informed through the regular publication of information concerning applications for and grants of breeders’ rights, which includes withdrawals and rejections of applications.

[...]

Example provision

13. The following example provision is intended to provide assistance to States/ intergovernmental organizations wishing to draft a provision on provisional protection in their laws in accordance with the 1991 Act of the UPOV Convention:

Article [13]²⁰
Provisional Protection

[1] Provisional protection is provided to safeguard the interests of the breeder during the period between [the filing] / [the publication] of the application for the grant of a breeder’s right and the grant of that right.

Example A

¹⁹ See document [CAJ/73/10](#) “Report on the Conclusions”, paragraph 20.

²⁰ The highlighted text in square brackets is intended for drafters involved in the preparation of laws and identifies, as appropriate, text to be completed, numbering of provisions that might need to be modified, or provisions of the 1991 Act of the UPOV Convention providing for a choice.

Proposal of the Russian Federation in view of a possible revision of document UPOV/EXN/PRP/2

[(2)] The holder of a breeder's right [shall at least be entitled to equitable remuneration] from any person who, during the period provided in paragraph [(1)], has carried out acts which, once the right is granted, require the breeder's authorization as provided in Article [14].

Example B

[(2)] The applicant is considered to be the holder of a breeder's right in relation to any person who, during the period provided in paragraph [(1)], has carried out acts which, once the right is granted, require the breeder's authorization as provided in Article [14]. The applicant shall have the same rights to enter into license agreements and to initiate legal proceedings as if on the [filing] / [publication] date the breeder's right had been granted to the applicant in respect of the variety concerned. The rights conferred under this paragraph shall be deemed never to have been conferred if the right is not granted.

Proposal by the Russian Federation

2. Cases where some UPOV members provide breeder's rights to the applicants before the date of the rights granting should not be recommended in the UPOV materials including Explanatory Notes.

3. On the basis of above mentioned, we think the wording of paragraph 9 and Example B should be as follows:

"9. Provisional protection is valid only in relation to acts that would require the breeder's authorization "once the right is granted", i.e., ~~Therefore~~ if the right is not granted, provisional protection is not applicable. The UPOV Convention requires (see Article 30(1)(iii) of the 1991 Act and Article 30(1)(c) of the 1978 Act) that the public is informed through the regular publication of information concerning applications for and grants of breeders' rights, which includes withdrawals and rejections of applications."

"Example B

[(2)] The applicant is considered to be the holder of a breeder's right in relation to any person who, during the period provided in paragraph provided in paragraph [(1)], has carried out acts which, once the right is granted, require the breeder's authorization as provided in Article [14]. Legal action in respect of provisional protection can only be initiated after the right is granted. ~~The applicant shall have the same rights to enter into license agreements and to initiate legal proceedings as if on the [filing] / [publication] date the breeder's right had been granted to the applicant in respect of the variety concerned. The rights conferred under this paragraph shall be deemed never to have been conferred if the right is not granted."~~

Extract from document UPOV/EXN/PRP/2 (Section II, paragraphs 10, 11 and 12)

10. The possibility to enter into license agreements on the basis of applications for breeders' rights and/or to initiate legal proceedings before the grants of breeders' rights will be determined by the relevant legislation of the member of the Union concerned. The relevant legislation might, in addition to the legislation governing breeders' rights, include other legislation on substantive and procedural matters (e.g. civil legislation, criminal legislation).

11. In cases where it is possible to enter into a license agreement before the grant of a breeder's right, the effects on royalties paid if the right is not granted (e.g. whether or not the licensor has to reimburse past royalties) may be provided in the relevant legislation and/or may be agreed by the parties in accordance with the legislative system.

12. In some members of the Union, legal action in respect of provisional protection can only be initiated after the right is granted. In some other members of the Union, it is possible to initiate legal proceedings before the grant of a breeder's right. In those cases, the competent judicial authority may decide that any damages during the period of provisional protection would only be enforceable once the right has been granted. In such cases, the judicial authority could, for example, request the third party to transfer the amount of the damages to a depository account for payment to the breeder if and when the right is granted.

Proposal by the Russian Federation

Proposal of the Russian Federation in view of a possible revision of document UPOV/EXN/PRP/2

3. Paragraphs 10, 11 and 12 should be deleted.

CIOPORA is not in the position to support the proposals made by the Russian Federation.

30. *The CAJ is invited to consider a possible revision of the "Explanatory Notes on Provisional Protection under the UPOV Convention" (document UPOV/EXN/PRP/2).*