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CAJ/58/4
ORIGINAL: English
DATE: September 18, 2008

UPOV

INTERNATIONAL UNION FOR THE PROTECTION OF NEW VARIETIES OF PLANTS
GENEVA

ADMINISTRATIVE AND LEGAL COMMITTEE

Fifty-Eighth Session
Geneva, October 27 and 28, 2008

DEVELOPMENT OF INFORMATION MATERIALS
CONCERNING THE UPOV CONVENTION

Document prepared by the Office of the Union

Introduction

1. The Administrative and Legal Committee (CAJ), at its fifty-second session, held in Geneva on October 24, 2005, agreed an approach for the preparation of information materials concerning the UPOV Convention, as explained in paragraphs 8 to 10 of document CAJ/52/4. It also agreed to the establishment of an advisory group to the CAJ ("CAJ-AG") to assist in the preparation of documents concerning such materials, as proposed in paragraphs 11 to 14 of document CAJ/52/4 (see paragraph 67 of document CAJ/52/5, Report).

2. The agreed approach is summarized as follows: the Office of the Union will develop certain draft materials which it considers covers aspects of a straightforward nature and will circulate these to the CAJ for comments within a specified time. In other cases, where it is considered that there are difficult issues, where discussions at a CAJ session would be important for the development of suitable information materials, and also in cases where the drafts on seemingly straightforward materials provoke unexpected concerns when circulated for comments, it was agreed that the assistance of the CAJ-AG would be sought prior to the CAJ being invited to discuss those matters at its sessions.

3. The purpose of this document is to provide background information to assist the CAJ in its consideration of the following documents at its fifty-eighth session:

(a) Explanatory Notes on Essentially Derived Varieties under the UPOV Convention (document UPOV/EXN/EDV Draft 2);

(b) Explanatory Notes on Exceptions to the Breeder's Right under the UPOV Convention (document UPOV/EXN/EXC Draft 3);

(c) Explanatory Notes on Novelty under the UPOV Convention (document UPOV/EXN/NOV Draft 2);

and to inform the CAJ of the progress and future work on the development of other information materials under the UPOV Convention, namely:

(a) the explanatory notes being considered by the CAJ by correspondence; and

(b) the documents to be considered at the third session of the CAJ-AG, to be held in Geneva on November 1, 2008.

Documents to be considered by the CAJ at its fifty-eighth session

Explanatory Notes on Essentially Derived Varieties under the UPOV Convention (document UPOV/EXN/EDV Draft 2)

4. At the fifty-seventh session of the CAJ, the representative of the International Community of Breeders of Asexually Reproduced Ornamental and Fruit-Tree Varieties (CIOPORA) explained that he was not ready to provide comments on document UPOV/EXN/EDV Draft 2 at that session. The CAJ invited CIOPORA to send its comments on document UPOV/EXN/EDV Draft 2 for consideration at the fifty-eighth session of the CAJ (see paragraphs 48 and 49 of document CAJ/57/7 "Report"). The comments received from CIOPORA on May 23, 2008, are provided in Annex I to this document. A copy of the CIOPORA Position Paper on Essentially Derived Varieties can be found for information in the CAJ/58 section of the UPOV website under background material.

5. At the fifty-seventh session of the CAJ, the representative of the International Seed Federation (ISF) suggested the addition of a "Variety D" to the scenarios explained in Figures 3 and 4 of document UPOV/EXN/EDV Draft 2 (see paragraph 50 of document CAJ/57/7 "Report"). In addition, on June 6, 2008, the Office of the Union received further comments from ISF on document UPOV/EXN/EDV Draft 2. Those comments are provided in Annex II to this document.

6. The Office of the Union has reviewed the comments from CIOPORA and from ISF and is of the view that these comments cannot be included in document UPOV/EXN/EDV Draft 2 without substantial discussion on the points which have been raised. In considering the way to proceed with the development of the explanatory notes on essentially derived varieties, the Office of the Union noted the comments of a number of delegations at the fifty-seventh session of the CAJ that the document provided useful clarifications on aspects of essentially derived varieties which were urgently sought by members of the Union and that it would not be possible for UPOV to provide further detailed guidance on other aspects.

7. Taking into account the situation described above, the Office of the Union concluded that an appropriate way to continue the development of the explanatory notes on essentially derived varieties would be to invite the CAJ to approve document UPOV/EXN/EDV Draft 2, with the aim of providing the necessary guidance to UPOV members for which there is an urgent need, whilst at the same time inviting the CAJ-AG to consider the comments received from CIOPORA and ISF, with a view to the further development of the explanatory notes on essentially derived varieties, once agreement was reached on the additional aspects raised by CIOPORA and ISF. In that respect, it is proposed that CIOPORA and ISF be invited to present their comments at the third session of the CAJ-AG on November 1, 2008.

8. The CAJ is invited to:

(a) approve document UPOV/EXN/EDV Draft 2;

(b) invite CIOPORA and ISF to present their comments on essentially derived varieties to the CAJ-AG at its third session on November 1, 2008; and

(c) request the CAJ-AG to consider the comments received from CIOPORA and ISF provided in Annexes I and II, respectively, to this document, with a view to proposing revision to the explanatory notes on essentially derived varieties in due course.

Explanatory Notes on Exceptions to the Breeder's Right under the UPOV Convention (document UPOV/EXN/EXC Draft 3)

9. At its fifty-seventh session, the CAJ considered document UPOV/EXN/EXC Draft 2 and noted that a new draft of document UPOV/EXN/EXC Draft 2 would be prepared for its fifty-eighth session incorporating the comments made at its fifty-seventh session.

10. The comments made on document UPOV/EXN/EXC Draft 2 at the fifty-seventh session of the CAJ were the following (document CAJ/57/7 "Report"):

> "52. With regard to the graphic on page 7 of the English version, the Delegation of the Netherlands observed that Variety C appeared to be the result of a single crossing of Varieties A and B, which would make it unrealistic that it could be considered to be an essentially derived variety. The Delegation proposed that the graphic be clarified to avoid confusion.
>
> "53. The Delegation of France requested that the term "privilège de l'agriculteur" in the French version of document UPOV/EXN/EXC Draft 2 be avoided and wondered if a corresponding change should be made in the other language versions. The Delegation had chosen the term "semences de ferme" to refer to the optional exception under Article 15(2) of the 1991 Act."

11. Document UPOV/EXN/EXC Draft 2 has been revised on the basis of the proposals made by the Delegations of France and the Netherlands at the fifty-seventh session of the CAJ.

12. The comments received from ISF, by letter of June 6, 2008, on document UPOV/EXN/EXC Draft 2 are provided in Annex II to this document.

13. The CAJ is invited to consider:

(a) document UPOV/EXN/EXC Draft 3; and

(b) the comments received from ISF on document UPOV/EXN/EXC Draft 2, provided in Annex II to this document.

Explanatory Notes on Novelty under the UPOV Convention (document UPOV/EXN/NOV Draft 2)

14. At the fifty-seventh session of the CAJ, the Chair invited the CAJ to make general comments on document UPOV/EXN/NOV Draft 2. No general comments were made at that session. However, the CAJ noted that it would have a further opportunity to consider document UPOV/EXN/NOV Draft 2 at its fifty-eighth session (see paragraphs 55 and 56 of document CAJ/57/7 "Report").

15. The comments received from ISF, by letter of June 6, 2008, on document UPOV/EXN/NOV Draft 2 are provided in Annex II to this document.

16. The CAJ is invited to consider:

(a) document UPOV/EXN/NOV Draft 2; and

(b) the comments received from ISF on document UPOV/EXN/NOV Draft 2, provided in Annex II to this document.

Documents to be considered by the CAJ by correspondence

17. The following explanatory notes will be considered by the CAJ by correspondence (see paragraphs 36 and 58 of document CAJ/57/7 "Report"):

(a) Explanatory Notes on the Right of Priority under the UPOV Convention (document UPOV/EXN/PRI Draft 1);

(b) Explanatory Notes on Provisional Protection under the UPOV Convention (document UPOV/EXN/PRP Draft 1);

(c) Explanatory Notes on the Nullity of the Breeder's Right under the UPOV Convention (document UPOV/EXN/NUL Draft 1); and

(d) Explanatory Notes on the Cancellation of the Breeder's Right under the UPOV Convention (document UPOV/EXN/CAN Draft 1)

18. The posting of the above explanatory notes, on the first restricted area of the UPOV website, will be notified to CAJ members and observers by the end of September 2008. In the absence of major concerns with those draft explanatory notes, revisions will be made on the basis of any comments received and the materials will be brought into use by the Office of the Union. If necessary, to address any major concerns, the advice of the CAJ-AG will be sought at its third session on November 1, 2008.

Documents to be considered at the third session of the CAJ-AG on November 1, 2008

19. The documents to be considered at the third session of the CAJ-AG to be held in Geneva on November 1, 2008, are the following (see paragraphs 36 and 59 to 61 of document CAJ/57/7 "Report"):

(a) Drafting Guidance for Laws based on the 1991 Act of the UPOV Convention (document CAJ-AG/08/3/3)

(b) Explanatory Notes on Acts in Respect of Harvested Material under the UPOV Convention (document UPOV/EXN/HRV Draft 2)

(c) Explanatory Notes on the Definition of Breeder under the 1991 Act of the UPOV Convention (document UPOV/EXN/BRD Draft 1)

(d) Explanatory Notes on the Definition of Variety under the 1991 Act of the UPOV Convention (document UPOV/EXN/VAR Draft 1)

(e) Enforcement of Plant Breeders' Rights (document UPOV/EXN/ENF Draft 1)

20. The posting of the above documents, on the first restricted area of the UPOV website, will be notified to CAJ members and observers. Comments received will be considered by the CAJ-AG at its third session.

21. The CAJ is invited to note the consideration of documents by correspondence and by the CAJ-AG, as set out in paragraphs 17 to 20 of this document.

[Annexes follow]

CIOPORA

International Community of breeders of asexually reproduced ornamental and fruit plants

Hamburg, 23 May 2008

CIOPORA comments to the UPOV document UPOV/EXN/EDV Draft 2 "Explanatory Notes on Essentially Derived Varieties under the UPOV Convention"

1. On page 6 in paragraph 4. it reads:

   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.

   The first sentence has a tendency to limit the number of potential EDV. However, this is not the content of Article 14(5)(c). For the sake of completeness it therefore should be added that the text also does not exclude that all varieties belonging to one of the groups mentioned in Article 14(5)(c) be considered as essentially derived varieties from their initial variety.

2. On pages 8 to 11 the terms "breeder" and "titleholder" are used in an inconsistent way, which might create confusion rather than guidance. The term "titleholder" is used once on page 8 in paragraph 9, line 9. CIOPORA suggests using a consistent language in the text. As the title holder is not necessarily the breeder and vice-versa, in general one could say that, if a variety enjoys protection, the authorisation of the *titleholder* of this variety is required for commercialization. If a variety, e.g. an EDV, is not protected, one could speak about the *breeder* of this variety.

3. The explanatory note is incomplete as it is silent to one of the most important topics in the EDV-concept, the degree of the phenotypic conformity between an initial variety and an EDV thereof.

   In this regard the wording of Article 14 (5) (b) indent (i) and (iii) of the UPOV 1991 Act is of particular relevance:

   (b) For the purposes of subparagraph (a) (i), a variety shall be deemed to be essentially derived from another variety ("the initial variety") when

   (i) it is predominantly derived from the initial variety, or from a variety that is itself predominantly derived from the initial variety,

while retaining the expression of the essential characteristics that result from the genotype or combination of genotypes of the initial variety,

(ii) *…*

(iii) *except for the differences which result from the act of derivation, it conforms to the initial variety in the expression of the essential characteristics that result from the genotype or combination of genotypes of the initial variety.*

The wording of indent (i) and (iii) seems to be unclear and contradictory with regard to the degree of phenotypic conformity between an initial variety and its EDV. While in indent (i) a general phenotypic conformity seems to be required, indent (iii) provides that the EDV must conform to the initial variety in the expression of the essential characteristics, *except for the differences which result from the act of derivation*.

CIOPORA has experienced that this wording causes great confusion in the business in respect to the required phenotypic conformity between an initial variety and an EDV thereof. A clear interpretation and common understanding of the relationship of these two provisions is indispensable.

CIOPORA has discovered that in some of the UPOV member states, e.g. the European Community, Bulgaria, Czech Republic, Estonia, Germany, Netherlands, Romania and Slovenia the last half-sentence of Article 14 (5) (b) (i) *(… while retaining the expression of the essential characteristics that result from the genotype or combination of genotypes of the initial variety)* has not been adopted in the national PVR law. This seems to be a good approach to avoid inconsistency and confusion, as the first requirement (“indent (i)”) in these laws relates only to the predominant derivation, while the last requirement (“indent (iii)”) relates to the phenotypic conformity.

Depending on the result of the considerations about this issue the text of the explanatory note might change on page 7 in box 2, 4 and 5 and on page 9 in box 2, 3, 5 and 6.

4. On page 8 in paragraph 9 the important aspect of the scope of breeders´ right is explained. CIOPORA suggests subdividing this paragraph into 3 paragraphs in order to make clearer that three different scenarios of protection can occur: only the EDV is protected; only the initial variety is protected; or both varieties are protected. The wording could be changed as follows:

9. Essentially derived varieties are eligible for plant breeders’ rights in the same way as for any variety, if they fulfil the conditions established in the Convention (see Article 5 of the 1991 Act of the UPOV Convention). If an essentially derived variety is protected, it is necessary for the commercialization[1] of the essentially derived variety to obtain the authorization of the ~~breeder~~ titleholder of the essentially derived variety as provided in Article 14 (1) of the UPOV Convention.

10. However, the provisions of Article 14(5)(a)(i) extend the scope of the right set out in Article 14(1) to (4) of the protected initial variety to essentially derived varieties. Therefore, if variety A is a protected initial variety, it is necessary for the commercialization[1] of the essentially derived variety to obtain the ~~acts included in Article 14(1) to (4) concerning essentially derived varieties require the~~ authorization of the titleholder of the initial variety A.

11. ~~Thus,~~ When there is a plant breeder's right on both the initial variety (variety A) and an essentially derived variety (variety B), the authorization of both the ~~breeder~~ titleholder of the initial variety (variety A) and the ~~breeder(s)~~titleholder of the essentially derived variety (variety B) is required for the commercialization of the essentially derived variety (variety B).

[1] In this document the term "commercialization" is used to cover the acts included in Article 14(1) to (4).

5. The points mentioned before, in particular under point 3., make it necessary to discuss the explanatory note in the CAJ-AG again, including the participation of the breeders´ organisations.

[Annex II follows]

ISF comments on EXPLANATORY NOTE ON EXCEPTIONS TO THE BREEDER'S RIGHT UNDER THE UPOV CONVENTION

Paragraph (d) 24 of this paper reads:

Farmer's holding

The farmer's privilege is restricted to the following permission:
"farmers to use for propagating purposes, on their own holdings, the product of the harvest which they have obtained by planting, on their own holdings, the protected variety or a variety covered by Article 14(5)(a)(i) or (ii)". (underlining added for emphasis)
The wording of the Convention clarifies that the farmer's privilege relates to the use of the product of the harvest by the farmer on his own holding. Thus, for example, the farmer's privilege does not extend to propagating material which was produced on the holding of another farmer.

Comment:

The term "holding" may need some amplification as it can be interpreted or understood by some people in a more extensive way than intended. There have been cases whereby farmer's co-operations were acting as "a holding". It may also be possible that a landowner leasing land to farmers regards his land as a holding.

ISF therefore kindly requests the AG to emphasize that a "holding" is limited to the individual farmer, possibly within a cooperation, community, as a leaseholder, or as a member within any other structure or organization.

ISF comments on UPOV/EXN/NOV Draft 2

The Novelty requirement in Plant Breeders Rights (PBR) is an important issue, because not conforming to it can have far reaching consequences. If, after the PBR has been granted, the variety appears not to have been new at the time of application, the PBR can be declared void retroactively *i.e.* as if the PBR never existed. It is therefore essential that breeders know what they can do and should not do before the variety is filed for PBR and what exactly constitutes a breach of novelty.

The 1991 Act of the UPOV Convention states that novelty is affected where
propagating or harvested material of the variety is sold or otherwise disposed of to others, by or with the consent of the breeder, for purposes of exploitation of the variety.
In the 1978 Act this is the case with offering for sale or marketing of propagating material with the consent of the breeder.

The most important parts of these provisions are:

UPOV 1991: (…) has not been sold or otherwise disposed of to others, (…) for purposes of exploitation of the variety (…)

UPOV 1978: must not have been (offered for sale or) marketed, (….)
("Offering for sale" has not been taken over in the UPOV 1991 text.)

In respect to the difference of the language between "marketed" and "sold or otherwise disposed of to others for the purpose of exploitation", the following questions arise:

1. What was the intention behind the replacement of the text of UPOV 1978 by the present wording in UPOV 1991?

According to the Report of the 27th session of the CAJ meeting in June 1990, it was discussed whether

"novelty was to be assessed by reference to commercial exploitation (as in the Draft of the new Convention) or to sale or to any other act of making available certain material to others (solution recommended by the Delegation of the Federal Republic of Germany). That latter solution was chosen by the CAJ. No conclusions were drawn as to whether an offer for sale was also to be taken into account".

As a consequence the text of the initial wording of UPOV 1978, in particular the use of the clear term "marketing" has eventually replaced by the phrase:
"has not been sold or otherwise disposed of to others, (…) for purposes of exploitation of the variety".
This phrase was accepted *inter alia* from the document, as mentioned above presented by the German delegation. There is however no further information mentioned concerning this German document and the background or reasons to change the 1978 wording to this new formulation. Knowledge of the background of this change may help to clarify and understand the intended meaning of the phrase under discussion.

2. What is the meaning of the phrase "for purposes of exploitation"?

Paragraphs 396 - 401 of the minutes of the 1991 diplomatic conference mention that on request of 4 member states this wording will be explained in a separate note after the conference and be published in the minutes. This has however never happened.
Could therefore the AG provide further explanation of this wording? In particular it is important for breeders to know what kind of acts outside the scope of commercial sales can be considered as "for the purpose of exploitation".

3. What is the meaning of the phrase "or otherwise disposed of"?

If it is not a sale by direct or postponed payment could it then be that providing material for free would damage the novelty? In what circumstances can such "otherwise disposal of material" be regarded as damaging for the novelty if there is no direct financial return on the material disposed of?

4. The history of the notion of novelty in the 1961 and 1978 UPOV Conventions shows a clear link between the novelty and the notion of 'common knowledge' in the sense that the variety should not be clearly known ("notoirement connue") at the moment of application for the purpose of distinctness.

Providing material to a farmer for seed production cannot render the variety clearly known, as will be the case with the subsequent sales of commercial (certified) seed. Therefore we question the statement of the AG in its paper under point 6(iv) that in order not to lose the novelty of a variety, the property of the multiplied material must revert to the breeder and must not be used for the production of another variety. In our opinion only the commercial sales of the resulting multiplied material of the variety will affect the novelty. Using the multiplied material for the production of another (hybrid) variety will not affect the novelty of the parent of that hybrid but the sales of the hybrid seed will just damage the novelty of the hybrid itself.

ISF herewith requests the AG to consider these questions and remarks, including the document of the German delegation as referred to and provide its opinion on these matters and answers on the questions raised.

In regard to (e) Varieties of recent creation, page 10

For those countries that for the first time provide a law for plant variety protection we have experienced that sometimes the plant variety protection law comes into force before the administrative system itself is operational. This means that although the law is in force, the applications for plant variety protection cannot be filed yet.
A first problem that arises is that the law usually foresees in a limited time period during which existing varieties can be filed under the conditions of the "transitional" novelty provision. It has to be realised that if the implementation of the administrative system takes too long, the remaining period for the breeder to file his applications under the transitional provision could become very short or worse, could already have ended.
After the novelty requirements for varieties in the "transitional" provision of a law have been published, breeders will usually prepare applications for varieties that are still to be regarded as novel according to the novelty requirement that is given in the transitional provision. The question is whether the date at which we can count back to determine the period in which varieties can be regarded as novel is the date of the actual application or the date on which the law came into force. We believe the second option is meant in the text of the 1991 Convention where it says in Article 6 sub 2:

"….it may consider a variety of recent creation existing at the date of such extension of protection to satisfy the condition of novelty…"

With this phrase in our opinion reference is made to the date when the law has come into force and therefore the specific novelty period that is provided for in the transitional provision is a fixed period that is the same for all varieties of recent creation.

ISF would first of all like to request that UPOV advises countries to make sure that applications can be filed at the moment the plant variety protection law comes into force. Second we would like to ask for two recommendations by UPOV in this explanatory note to provide for the situation in which the actual filing of applications nevertheless becomes possible some time after the plant variety protection law enters into force:

1. The restricted period in which varieties can be filed under the regime of the transitional provision should only commence at the moment that the applications can actually be filed.

2. The date on which the law has come into force has to be regarded as the reference date in regard to the assessment of whether a variety can be regarded as novel.

References

UPOV 1991, Article 6
Novelty
(1) [Criteria] The variety shall be deemed to be new if, at the date of filing of the application for a breeder's right, propagating or harvested material of the variety has not been sold or otherwise disposed of to others, by or with the consent of the breeder, for purposes of exploitation of the variety

UPOV 1978, Article 6
Conditions Required for Protection
(1) The breeder shall benefit from the protection provided for in this Convention when the following conditions are satisfied:
[…]
(b) At the date on which the application for protection in a member State of the Union is filed, the variety
(i) must not—or, where the law of that State so provides, must not for longer than one year—have been offered for sale or marketed, with the agreement of the breeder, in the territory of that State,

Trials of the variety not involving offering for sale or marketing shall not affect the right to protection. The fact that the variety has become a matter of common knowledge in ways other than through offering for sale or marketing shall also not affect the right of the breeder to protection.

Minutes of the Diplomatic Conference 1991, paragraph 391 - 402

ISF Comments on UPOV/EXN/EDV Draft 2

With respect to this paper ISF has the following comments and questions:

1. The third sentence of the summary in paragraph 11 is confusing. It reads "In that regard, it should also be noted that a variety which is essentially derived from another variety cannot be an initial variety". Possibly this sentence tries to explain that in order to have an extension of the provisions of paragraph's 1-4 of article 14, the protected variety must not be itself an essentially derived variety. However the sentence can be read in the meaning that an initial variety can never appear to be itself an essentially derived variety, which is contrary to paragraph 5(a)(i) of article 14. In this respect it must be noted that this paragraph speaks only about the "protected" variety where the technical relationship between a particular "initial" variety and the variety essentially derived there from is defined in paragraph (5)(b) of article 14.
Moreover, as clarified in paragraph 5 of the paper UPOV/EXN/EDV Draft 2 it is clear that variety 'C', predominantly derived from variety 'B', which is predominantly derived from

the initial variety ‘A’ and retains the expression of the essential characteristics of’ A’, is essentially derived from ‘A’. Furthermore ‘C’ is also essentially derived from ‘B’, supposing ‘C’ retains the expression of the essential characteristics of ‘B’. ‘B’ is then the initial variety of ‘C’, which is in this case itself an EDV. So, contrary to the sentence in paragraph 11 as referred to, “a variety which is essentially derived from another variety *can* be an initial variety”.

The Advisory Group is requested to confirm this interpretation and to delete the third sentence of paragraph 11 or to adapt it in such a way that it concurs with the explanation here above.

2. In relation to the comment above, the position of a variety ‘D’, which is predominantly derived from ‘C’ and retains the expression of the essential characteristics of ‘A’, should be considered the same as ‘B’ and ‘C’, namely being essentially derived from ‘A’.

The language of article 14(5)(b)(i) could be - and is by some scholars - interpreted such that variety ‘D’ cannot be regarded as predominantly derived from a variety that is itself predominantly derived from ‘A’. The reason being that ‘C’ is not directly predominantly derived from ‘A’ but from ‘B’. The chain of dependency would by this reasoning be limited to two links only.
On the other hand ‘C’ is to be considered as (indirectly) predominantly derived from ‘A’. The history of this provision (see Annex) shows that the initial wording in the preparatory papers have clearly the intention to include all varieties that have been directly or indirectly predominantly derived from the initial variety. There is no paper that shows an unambiguous intention to limit the chain to two links only. The consequence could otherwise be that an intentional EDV breeder needs only a few additional mutations or crosses in order to let his variety escape from dependency. This would seriously hamper the EDV provision, which cannot have been the intention of the new Convention.

In other words, a variety (‘D’) is predominantly derived from a particular initial variety (‘A’) if it is predominantly derived from any (‘B’ or ‘C’) variety that is indirectly - independent of the length of the derivation chain - predominantly derived from that initial variety (‘A’).

Consequently this variety (‘D’) is essentially derived from the initial variety (‘A’) if it conforms to the initial variety in the expression of the essential characteristics that result from the genotype or the combination of genotypes of the initial variety except for the difference(s) that result from the act of derivation.

The Advisory Group is requested to take note of this statement with its motivation and to confirm its correctness.

ANNEX [to Annex II of document CAJ/58/4]

History of the EDV dependency provision in UPOV 1991

The requirements for essential derivation are mentioned in article 14(5): predominant derivation, conformity and distinctness. Regarding the predominant derivation the text of the Convention is not clear. The formulation in paragraph (i) “it is predominantly derived from the initial variety or from a variety that is itself predominantly derived from the initial variety”

gives the impression that the 'chain' of predominant derivation is limited to 2 cycles. As such an interpretation will have major consequences for the breeders, it is necessary to look in the history of the relevant article whether it has been the intention of the drafters of the Convention to set such a clear limit in the chain of derivation.

The consequence of the interpretation of article 14(5)(b)(i) that only predominant derivation in the first and second degree can lead to essential derivation will make it very difficult or even impossible to prove the act of predominant derivation. The smart EDV breeder will adapt his breeding scheme such that his suspected EDV will have been predominantly derived from a variety that has been predominantly derived from a variety that has been predominantly derived from the initial variety. Predominant derivation as such is allowed under the breeder's exemption! It is only the exploitation of the EDV that needs the approval of the breeder of the initial variety.

As it was clearly the intention of the UPOV 1991 Convention to strengthen the Breeder's Right, it is very unlikely that the creation of this loophole has been intended. There is nowhere in the history of UPOV 1991 any discussion found in which the wish was expressed to limit the chain of predominant derivation.

Moreover a literal interpretation of the text leads to the conclusion that any variety in the chain has eventually been predominantly derived from the initial variety. If we take the chain A-B-C-D, where A is the initial variety, B is predominantly derived from A and C from B, C will also be predominantly derived from A if C meets the remaining requirements for essential derivation and will be regarded as an EDV from A. As a consequence, variety D, predominantly derived from C is also a variety predominantly derived from a variety that is itself predominantly derived from the initial variety!

It is important in such ambiguous cases to look into the history of a provision, the preparatory documents from 1989 till 1991 and the minutes of the Diplomatic Conference. See the overview of the preparatory documents at the end of this paper.

The first relevant draft of June 1989 is worded as follows:

If a variety is essentially derived from a (single) protected variety, the owner of the right in the protected variety (…3 alternatives are given for exclusive rights)."

In May 1990 the text has been changed after some discussion in the CAJ to:

The breeder's right shall in addition confer on its owner the right to prevent all persons not having his consent from undertaking the acts mentioned in paragraph (1) in relation to:
(ii) varieties which are essentially derived, whether directly or indirectly, from this variety, where this variety is not itself an essentially derived variety,

The text of the Substantive Law Provisions regarding essential derivation has significantly been changed between May 22 1990 and August 22 1990 without any reference to a proposal, working group or editorial committee to:

(a) Subject to paragraphs (3) and (4), the acts mentioned in paragraph (1) shall also require the authorization of the breeder in relation to

(i) Varieties which are essentially derived from the protected variety where the protected variety is not itself an essentially derived variety

(b) For the purposes of sub-paragraph (a)(i), a variety shall be considered to be essentially derived from another variety ("the initial variety") when
(i) it is predominantly derived, whether directly or indirectly from the initial variety, or from a variety that is itself predominantly derived from the initial variety (…)

The insertion of the phrase "or from a variety that is itself predominantly derived from the initial variety" and the change from "essentially derived" to "predominantly derived" is not explained. It is very likely that the text change had not the intention to limit the chain of essential derivation to 2 links but merely meant to be an 'editorial improvement'. The initial text was clearly intended to express that essential derivation could be exercised either 'directly' - from the initial variety itself - or indirectly - through a variety that was itself already essentially derived from the initial variety, where the position in the chain of that derived variety did not matter.
The phrase "directly or indirectly" was eventually stricken by a German proposal without further reasoning in the October 1990 CAJ meeting. Apparently the explaining text - *from a variety that is itself predominantly derived from the initial variety* - was regarded as sufficiently clear.

Conclusion:

Any variety in a chain of predominant derivation can eventually be regarded as predominantly derived from a variety that is itself predominantly derived from the initial variety if it has - indirectly - predominantly been derived from a variety that is essentially derived from the initial variety. It will then be essentially derived from the initial variety if it subsequently conforms to the initial variety in the expression of the essential characteristics of the initial variety.

Overview of the relevant preparatory papers

IOM/IV/2, dated June 22 1989, discussed in the fourth meeting with International Organizations October 9/10, 1989:

article 5(3) "If a variety is essentially derived from a (single) protected variety, the owner of the right in the protected variety (…3 alternatives are given for exclusive rights)."

page 12, Explanatory Notes, paragraph 6(iv)

"The mother variety must originate from true breeding work, that is it must not itself be dependent; there should not be a 'dependence pyramid'. If variety C derives from variety B which derives from variety A, C would be dependent from A rather than B, since the very objective of dependence is to give to the breeder of an original genotype an additional source of remuneration; the collecting of that remuneration through a third party, in the example the breeder of variety B, does not seem very practicable."

PM/1/2, dated April 2, 1990. Draft revised Substantive Law Provisions of the Convention. First Preparatory Meeting for the revision of the UPOV Convention, April 23-26, 1990.

Page 25, article 17(2)

The breeder's right shall in addition confer on its owner the right to prevent all persons not having his consent from undertaking the acts mentioned in paragraph (1) in relation to:

(ii) varieties which are essentially derived, whether directly or indirectly, from the protected variety, where the protected variety is not itself an essentially derived variety,

CAJ/27/2 , Draft Substantive Law Provisions. Dated 22 May 1990, discussed June 25-29 1990

Article 14(2) page 53:

The breeder's right shall in addition confer on its owner the right to prevent all persons not having his consent from undertaking the acts mentioned in paragraph (1) in relation to:

(ii) varieties which are essentially derived, whether directly or indirectly, from this variety, where this variety is not itself an essentially derived variety,

(changed 'protected variety' to 'this variety' compared to PM/1/2)

CAJ/27/8 report of the meeting from June 25-29 1990, dated 24 September 1990

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Paragraph (2) - Extension of the Breeder's Right to Other Varieties

paragraph 79: The great majority of delegations expressed satisfaction with the wording in the proposed draft (CAJ/27/2).

paragraph 82: The delegation of the Federal Republic of Germany proposed that the words "directly or indirectly" be deleted in sub paragraph (ii).

IOM/5/2 Rev., Draft Substantive Law provisions, dated August 22 1990, discussed October 10/11 in Fifth meeting with International Organizations.

article 12(2), page 41

(a) Subject to paragraphs (3) and (4), the acts mentioned in paragraph (1) shall also require the authorization of the breeder in relation to

(i) Varieties which are essentially derived from the protected variety where the protected variety is not itself an essentially derived variety

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(b) For the purposes of sub-paragraph (a)(i), a variety shall be considered to be essentially derived from another variety ("the initial variety" when
(i) it is predominantly derived, whether directly or indirectly from the initial variety, or from a variety that is itself predominantly derived from the initial variety (…)

CAJ/28/6, dated March 11, 1991; report of the 28th session of the CAJ on October 12-16 1990.

paragraph 43: The Committee accepted the text proposed after having deleted the words "whether directly or indirectly" (…..)

[End of Annex II and of document]