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INTERNATIONAL UNION FOR THE PROTECTION OF NEW VARIETIES OF PLANTS

GENEVA

COMMITTEE OF EXPERTS ON
THE INTERPRETATION AND REVISION OF THE CONVENTION

Geneva, September 14 to 17, 1976

STATEMENT BY THE UNITED STATES OF AMERICA

transmitted by the Office of the Union

A letter of the Department of State of the United States of America, dated August 17, 1976, and received on August 27, 1976, is annexed. The references appearing in the margins were added by the Office of the Union. They refer to working documents presented by the Office to the Committee of Experts and the Working Group on Variety Denominations.

[Annex follows]

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ANNEX

DEPARTMENT OF STATE

Washington, D.C. 20520

August 17, 1976

Dr. Arpad Bogsch
Secretary General
The International Union for the
Protection of New Varieties of Plants
32, chemin des Colombettes
1211 Geneva 20, Switzerland

Dear Dr. Bogsch:

As you know, the Patent and Trademark Office and the Plant Variety Protection Office of the Department of Agriculture are the two agencies of the United States Government primarily concerned with the protection of plant varieties in the U.S. These agencies have carefully examined the legal systems in our country for the protection of new plant varieties to determine exactly how they differ from the requirements of the UPOV Convention. This letter identifies these differences, along with suggestions for resolving them. In some cases, the resolution of our differences involves an interpretation of the Convention. We hope to discuss these matters at the UPOV Council meeting this October, and trust our letter will be useful in this regard.

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UPOV Article 2(1) acknowledges the right of a member state to award breeders' rights either by the grant of a special title of protection or a patent. However, the Article precludes a member state from providing both forms of protection for a particular genus or species. This provision, therefore, is at odds with the laws of the United States.

As we stated at the February 1976 meeting of the Committee of Experts on the Interpretation and Revision of the Convention, there is no reason why the same genus or species cannot be protected under both of our laws. Nevertheless, this is not a matter of major importance. If Article 2(1) were all that stood in the way of United States adherence to the Convention, we would seek the amendment of our laws

to comply with it. While there might not be any significant opposition to such an amendment, I am sure you understand that we cannot guarantee its enactment. A far simpler solution, therefore, is the cancellation of the last sentence of Article 2(1).

If this last sentence is to be retained, the phrase "botanical genus or species" is too broad and should be changed to "variety." Some botanical genera and species include varieties that are sexually reproducible and other varieties that are asexually reproducible. The provision as it now reads, however, requires a country having two systems of protection to protect all varieties of a genus or species under only one of its systems. Thus, a sexually reproduced variety may be eligible for protection only under a system based on asexual reproduction, or vice versa. The adoption of our suggestion would remedy these possibilities and permit each variety to be protected under the appropriate system.

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Article 2(2) includes "hybrids" in the definition of a plant variety, while the United States Plant Variety Protection Act excludes hybrids from protection. Our understanding of the UPOV Convention, however, is that protection for hybrids is not mandatory in member states. The Article only identifies the types of plants which may be protected. With this understanding, there is no conflict between our laws and this provision.

If Article 2(2) actually requires protection for hybrids, it will be necessary to revise the Plant Variety Protection Act. We believe that our seed industry would oppose any such change as unnecessary. They feel that hybrids are inherently protected through the breeder's control of the parent plants.

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13-21

UPOV Articles 3 and 4 set forth a general obligation of member states to extend national treatment to each others' nationals. These articles also specify the situation where national treatment is not required. There is some conflict between these national treatment requirements and our practices.

Under our plant patent laws, national treatment is always provided. This is not true of the Plant Variety Protection Act, however. This Act authorizes the Plant Variety Protection Office to limit rights in new varieties to our nationals, except that rights may be accorded to foreign breeders on a reciprocal basis. In view of this provision of the Plant Variety Protection Act, we cannot obligate ourselves at this time to accord national treatment unconditionally to UPOV member states. We must, at least for the present, accord reciprocal treatment for sexually reproduced plants.

Article 4 and the Convention Annex require member states to protect each of thirteen identified species. In each member state, however, some (or perhaps most) of the thirteen species have no commercial importance. Also, some species important in a member state are not found in the Annex. Thus, the Annex has little relationship to the needs of breeders, and we suggest its deletion.

We understand that the Convention might be amended to require only the protection of a certain minimum number of species, without identifying those which must be protected. We would certainly favor such an amendment. Our laws offer protection for almost every plant species and we would have no difficulty in complying.

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With one exception, our laws satisfy the requirements of UPOV Article 5. The plant patent laws provide legal rights against unauthorized reproduction, whether or not carried out commercially. As we understand Article 5(4), however, a member state may provide whatever additional rights it deems appropriate for protecting breeders and encouraging the development of new varieties. Thus, the protection we accord against non-commercial reproduction under the plant patent laws seems entirely consistent with protection against unauthorized commercial reproduction. Thus, it is also consistent with Article 5.

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9 - 11

The right of a farmer to save seed from one year's crop for planting the following year's crop is provided for by the Plant Variety Protection Act. Again, this right does not contradict any requirement of Article 5. The Plant Variety Protection Act gives farmers an additional right, however--the right to sell saved seed to another farmer. Of course, the farmer who buys the seed cannot sell seed propagated from it.

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We feel that these sales between farmers should be regarded as non-commercial in nature and, accordingly, not to infringe breeders' rights. They do not involve marketing, and are not carried out by seed dealers or businesses. Moreover, we see no realistic possibility of amending the Plant Variety Protection Act to prohibit these "over the fence" sales.

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12 + 13

We do find certain inadequacies in the protection contemplated under the UPOV Convention for the breeders of ornamental plants and cut flowers. We realize that the measure of protection provided is properly a matter for national determination. But we hope that rights approaching those provided by the United States patent laws will become more readily available in the UPOV member states. One possibility might be the development of guidelines suggesting enhanced protection. These could include a recommendation for the protection of ornamentals or cut flowers imported into a UPOV member state from a country where breeders' rights are not available.

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Both of our plant protection laws provide a one-year grace period for breeders to judge the commercial potential of a variety before being required to apply for legal protection. The UPOV Convention provides a similar opportunity to evaluate the commercial potential of a new variety; i.e., the four-year period during which a new variety may be sold in a particular country without affecting the opportunity to obtain breeders' rights in other countries. We see no reason why the present UPOV "grace period" cannot co-exist with a grace period like ours.

The most important consideration is to provide a system which best encourages the breeding and commercialization of new varieties. Apparently, both systems do this. Of course, the acceptance of our grace period as an alternative to the period now provided under Article 6(1)(b) might require some revision of the Article.

We are very doubtful that our laws could be amended to eliminate the one-year grace period. Such a conceptual change would probably be vigorously opposed by private and professional groups in the United States. The Plant Variety Protection Act already permits the one-year grace period before filing to be extended up to three additional years if the variety has undergone required tests in a foreign country.

UPOV Article 6(1) prescribes a "world" standard for determining the novelty of plant varieties. As we understood the discussion at the Committee of Experts meeting, our laws and practices satisfy this standard.

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Some discussion was devoted at the Committee of Experts meeting to the meaning of the term "important characteristics" in Article 6(1)(a), and whether the term should be deleted or explained in the Convention. Our laws are in complete accord with the provision if the term means that any characteristic capable of affirmatively distinguishing one variety from another is inherently important. If any change is to be made, we suggest deletion of the term "important." This would make our understanding of the Convention absolutely clear.

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Article 6(1)(b) precludes a finding of novelty if a variety is offered for sale or commercialized in a UPOV member state prior to applying for breeders' rights there. Experimentation to determine the characteristics of a variety before it is placed on the market, however, has no effect on the right to legal protection. This is entirely consistent with our laws.

The Plant Variety Protection Act contains a specific provision concerning experimentation that coincidentally involves commercialization. When a new variety is developed for its commercial qualities, such as better canning or milling properties, it usually must be sold to a cannery or mill as an integral part of the testing program. Large quantities are sometimes needed for these tests, which a farmer or breeder cannot afford to give away. As long as these transactions are for the primary purpose of ascertaining commercial characteristics, and sales are limited to a business participating in the experimentation, they are regarded as experimental in nature. We see no reason why these transactions should affect the breeder's eligibility for legal protection. We are not sure, however, if Article 6(1)(b) is understood in this way by the UPOV member states.

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annex I

Article 7 concerns the examination process for determining novelty. It is understood by all UPOV member states to contain an implicit requirement for governmentally-conducted

growing tests. We were pleased to receive the Secretary General's letter of March 11, 1976, forwarding the decision of the Consultative Committee that Article 7(1) can also be satisfied by privately-conducted tests. Three requirements for such privately-conducted tests were set forth. In order to assure a mutual understanding of these requirements, we offer a few comments.

These private tests must be conducted according to guidelines established by the examining authority, in our case by the Patent and Trademark Office or the Plant Variety Protection Office. As we understand this requirement, the appropriate examining office must establish guidelines for ascertaining the characteristics of new varieties. These guidelines need not be the same ones applied by other UPOV member states, although we will, of course, give very serious consideration to any UPOV guidelines.

An applicant will also be required to make the plant or a sample of propagating material available in a designated place at the time of applying for protection. We understand that each examining office would designate the place of deposit, which could be a public location or the breeder's plot or test facility.

The Plant Variety Protection Act now requires a deposit of seed to be made with the Plant Variety Protection Office prior to the issuance of a certificate of protection. We see no problem in requiring the deposit of seed to be made at the time of applying.

There is no parallel requirement under our plant patent laws for the deposit of a specimen. To satisfy this requirement, we would amend our regulations to require that propagating material be made available for examination.

The applicant will be required to provide access to his growing tests by persons designated by the examining office. As we understand this requirement, it will not be required that a government official inspect each growing test. But each growing test must be available for inspection if the examining office determines that one is needed. Of course, an applicant may refuse to permit such an inspection, but his refusal may jeopardize or prevent the obtaining of breeders' rights.

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UPOV Article 8 requires each member state to provide breeders' rights for a term of no less than fifteen years; and in the case of vines, fruit trees, forest trees, and ornamental trees for at least eighteen years. Our present laws do not totally comply with these requirements. Sexually reproduced varieties are protected for seventeen years, which exceeds the fifteen-year minimum required by Article 8 for these varieties. Our present plant patent laws, however, provide a term of only seventeen years for asexually reproduced varieties.

Our on-going revision of the patent laws would change the present patent term of seventeen years after grant to a term of twenty years from the filing date of the application in the United States. In almost all cases, this revision would provide an effective term of more than eighteen years.

If this term is considered as failing to comply with the requirements of the Article, we would consider amendment of our plant patent laws to provide an eighteen year term in every case. However we amend the plant patent term, we will probably need to amend the Plant Variety Protection Act in the same way, so the terms of protection will be the same.

A simpler resolution of this matter, however, would be the elimination from the Convention of the requirement for an eighteen year term for certain plants. This would leave to member states an obligation to provide an adequate term of protection. A minimum term (of at least fifteen years) could be specified.

nil

Article 9 authorizes restrictions on the free exercise of breeders' rights for reasons of public interest. When any such restriction is imposed, the UPOV member states are required to take all measures to insure that the breeder receives fair remuneration. We believe that our laws are entirely consistent with this Article.

Section 44 of the Plant Variety Protection Act authorizes the compulsory licensing of a new variety when necessary to insure an adequate supply of fiber, food or feed for our

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country and the breeder is unwilling or unable to supply the public need at a fair price. This certainly satisfies the requirements of Article 9.

We cannot imagine a situation where the public interest would require any encroachment on the free exercise of the patent right for an asexually reproduced ornamental variety. Nor do we think patent rights in edible plants are likely to affect the public interest. But if the public interest should be understood as demanding in some way the restriction of the exclusive right, our laws provide for this. The Government may use the subject matter of any patent (including a plant patent) provided the patentee is adequately compensated.

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Article 10 provides for the annulment of breeders' rights, but limits the grounds to those specified in the Article. The Article does not provide for the annulment of breeders' rights for reasons of national policy or the public interest. Thus, Article 10 seemingly conflicts with our jurisprudence. Our courts are empowered to annul patent rights when these rights are obtained by fraud or used to suppress competition unduly. Undoubtedly, this power of the courts also applies to certificates granted by the Plant Variety Protection Office, although this has not yet been judicially determined. Also, a plant patent may be annulled if the plant is exported from the United States without first obtaining an export license, or having the requirement for the license waived.

We understand, however, that Article 10 is implicitly limited by Article 9; i.e., the exclusive right may always be limited or annulled for reasons of public interest in addition to the reasons set forth in Article 10. If so, the seeming conflict between our jurisprudence and the requirements of Article 10 would be resolved.

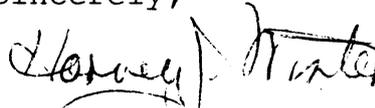
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Article 13 concerns variety denominations. It requires each variety to be given a denomination, and precludes this denomination from being used as a trademark or trade-name. The Article additionally provides for the exchange of information about variety denominations among member states to aid in the examination of applications. None of these requirements contravene any provision of our laws or practices. In fact, a breeder marketing a plant variety

or thinking about doing so would certainly select and use a variety denomination, and anyone else propagating the variety would be required to use this denomination.

We would not adopt paragraph (2) of the Article, however, which prohibits the adoption of variety denominations consisting solely of figures. Some agricultural crops in our country are routinely and successfully identified in this way. With these denominations, farmers are completely aware of what they are buying and the varieties are identified as well as with any other kind of name. Of course, most varieties in the United States are identified by non-numeric or partially-numeric names, in complete accord with Article 13 as it now reads. We understand that it would not be mandatory to utilize any variety denomination guidelines developed for UPOV member states. If we were to become a member, we may choose to leave the details and enforcement of variety denominations to our various laws, as we now do, rather than follow any particular guidelines.

Sincerely,



Harvey J. Winter
Director, Office of
Business Practices

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