

In advance via e-mail

Mr. Cameron Stack
Secretariat
Advisory Council on Intellectual Property
PO Box 200
WODEN, ACT 2606

AUSTRALIA

Administrative office:
Rothenbaumchaussee 78
D-20148 Hamburg
Germany

Phone: +49 40 555 63 702
Fax: +49 40 555 63 703
E-Mail: info@ciopora.org
Internet: www.ciopora.org

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CIOPORA comments on the Review of Enforcement of Plant Breeders Rights

Dear Mr. Stack,

Our association is the recognized International Community of Breeders of Asexually Reproduced Ornamental and Fruit Varieties. Our membership currently covers some twenty-five countries disseminated on the five continents and our members representing an overwhelming percentage of plant patents and plant breeders' rights certificates granted under the UPOV system world wide. Established in 1961, CIOPORA is observer to UPOV right from the beginning since more than 45 years.

CIOPORA is very much appreciative on the fact that Australia is about to improve the enforcement of Plant Breeders Rights, as without effective enforcement of such rights they do not have sufficient value for breeders.

We would like to share the following comments and proposals on the ISSUES PAPER "A review of enforcement of Plant Breeders' Rights" of March 2007. The comments are made in the same order as the topics are placed in the issues paper.

1. Exhaustion of the PBR (2.4.4.iii)

The UPOV 1991 Convention, which has otherwise brought improvements to the 1978 Act, has introduced the principle of "exhaustion" of the breeder's right. This principle, which also has been incorporated in the Australian PBR Act, has unfortunately been drafted in a too general way.

To provide the breeders of vegetatively propagated ornamental and fruit varieties parity with owners of patents as required under Art 27 (3) b of the TRIPS-Agreement it is necessary that the exhaustion exists only for the specific field of use for which the breeder has licensed his variety and only for the specific territory where the licensed title is valid.

CIOPORA would therefore like to propose to base the provisions of exhaustion in Article 23 of the Australian PBR Act on the idea, that *the Plant Breeders' Right shall not extend to acts that have been performed with the express authorization of the holder of the right and within such conditions and limitations as said holder may have made his authorization subject to.*

2. Limited legal precedent (3.2.3)

Limited jurisprudence on PBR is not limited to Australia. Therefore, it is necessary to make visible any jurisprudence. A database with the respective court decisions is easy to develop and would be very effective.

3. Essentially Derived Varieties (4.1.2)

The enforcement of Plant Breeders' Rights of Essentially Derived Varieties (EDV) in Australia is limited due to the constructional defect of the EDV-concept. In Australia the Plant Breeders' Rights Office is competent to declare a variety to be an EDV or not. This can only happen if the breeder of the potential EDV has applied for PBR in Australia. Only if the variety is declared to be an EDV, the holder of the initial variety can exercise his rights on the EDV.

It is common understanding among the UPOV member states, that the notion of essential derivation is a technical notion. Thus, it makes no difference for the status of a variety (EDV or not EDV) whether the variety has PBR protection or is at least applied for such protection.

Additionally, with regard to establishing whether a variety is an essentially derived variety, it is also a common understanding among UPOV members that the existence of a relationship of essential derivation between varieties is a matter for the holders of Plant Breeder's Rights in the varieties concerned – and not a matter for PBR authorities. Therefore, in all UPOV member states except Australia it is a task of the breeders and – in case of dispute – of courts to decide whether a variety is an EDV.

CIOPORA currently is drafting a position paper on Essentially Derived Varieties which aims at providing a practical guidance for breeders, jurists and other interested people who deal or have to deal with EDV in the field of asexually reproduced ornamental and fruit varieties.

It would significantly enhance the harmonised interpretation of the EDV concept if all UPOV member states, which have incorporated the EDV concept in their Plant Breeders' Rights laws, would follow the same approach and would encourage their courts to take into consideration the opinion of breeders in this matter.

Such new approach would make the enforcement of Plant Breeders' Rights in regard to EDV more effective. It would also solve the example of lack of clarity given under topic 4.2.4 in the issues paper regarding the term "essential characteristics".

When implementing the common "UPOV-approach on EDV" Australia should provide for a shift of burden of proof if the holder of the initial variety has offered *prima facie proof* for predominant derivation (see chapter 4.2.3 of the issues paper).

4. Cost of enforcement (4.2.1)

The resources required to undertake legal action for infringement are often beyond the means of most breeders, which often are small and medium sized companies. This follows from the complex matter, which requires specialized (and expensive) lawyers, and often low amounts in dispute. As a result in many cases the plaintiffs have to bear a significant part of the cost of a legal action even in case they have won the case. It would make enforcement much more effective if the infringers would be required to pay for the whole cost of a legal action, including the administrative costs of the breeders, the costs for investigation, the cost of specialised lawyers and the court fees. Exemplary damages as described in the issues paper under topic 4.2.5 would be helpful. They must be deterrent to the infringer and high enough to cover the full cost of the plaintiff.

5. Evidence collection (4.2.2)

Right holders must be granted access to greenhouses to count and inspect plants and collect samples. As there is only a short period between an infringement of a PBR (e.g. illegal propagation) and the sales of the infringing plants, fast provisional measures to preserve evidence are necessary. Anton Piller orders in general are effective tools for entering premises and preserving evidence, if the requirements for getting such order are not too high. In many cases title holders do not have *extremely strong prima facie proof* of the infringement. In the sector of asexually reproduced ornamental and fruit varieties it is quite easy to reproduce propagating material from legal basic material. Without a license such self-propagation is an infringement of the Plant Breeders' Right. As the self-propagation in most cases takes place in greenhouses it is naturally very difficult for the title holder to supply strong evidence of such infringement. Therefore, a balance between the legitimate interests of the title holder and the alleged infringer must exist.

Additionally, the trade with ornamental and fruit plants and the harvest thereof is very international and so there are widespread sources of propagating material and harvested material. Right holders must be able to get access to information on the illegal sources of such material and about the recipients of illegal material.

6. Alternative Dispute Resolution (ADR) (4.2.7)

CIOPORA is in favour of all tools which make the enforcement of Plant Breeders' Rights faster, cheaper and more effective. Such tools, like mediation, may be offered on a voluntary basis, but must not be mandatory. Breeders should have the freedom to directly enter in a court case to enforce their rights.

7. Customs provisions (4.2.8)

CIOPORA members report that a significant number of cut-flowers (especially roses and carnation) are imported to Australia per year.

According to section 11 of the Australian PBR Act the right to import and export material that is covered by the Plant Breeders' Right is reserved for the title holder. Thus, the title holder must be able to enforce these rights – both the right to import and to export. This is also part of Article 30 (1) (i) of the UPOV 1991 Act.

Therefore, it is highly recommended to provide for customs actions based on Plant Breeders' Rights. In the European Community holders of Community Plant Variety Right titles can

apply for customs actions since 2004¹. During the past 3 years several successful customs actions against the illegal import of plant material (mainly cut flowers and fruit) have taken place and the customs provisions have proven to be an effective tool for the enforcement of Plant Breeders' Rights.

To overcome the difficulties with perishable goods, in the European Regulation the impounding period is limited to 3 days for such goods. In most cases this is sufficient for the title holder to clarify the status of the seized goods.

8. Varietal identification (4.2.9)

In regard to the identification of varieties it should be mentioned that in the area of asexually reproduced ornamental and fruit varieties for most of the species it currently is difficult to use biotechnologies, such as DNA-analysis, for identification purposes, as the DNA e.g. of a mutant and its mother variety is more or less identical. Considering that the phenotypic expression of a mutant and its mother can differ significantly it is obvious that the use of DNA-analysis for identification purposes might bring incorrect results.

9. Central information and collective peak body (4.2.10) and Evidence collection (4.2.11)

Examples in several countries show that the collective enforcement of Plant Breeders' Rights can be beneficial for title holders as they can share costs, information and knowledge. CIOPORA in general is in favour of such organisations, which offer the respective services (e.g. evidence collection, legal support, court cases) to title holders. However, membership in such organisations should be voluntarily and the range of tasks should be agreed upon the members of the organisation. Due to the specialities in the ornamental and fruit sector CIOPORA would also favour separate organisations in the ornamental and fruit business on the one side and the agricultural business on the other side.

Additionally, CIOPORA recently has upgraded Anti-infringement as a main task of the organisation and has increased its staff respectively. Purpose is to provide to its members information on the enforcement of IP rights for plant innovations and to assist them in practical enforcement. Part of this process is the set-up of a lawyers-panel, containing of lawyers who are experts in Plant Breeders Rights or more in general in intellectual property for plant innovations. However, CIOPORA shall not act as a party in court cases on behalf of a title holder. It rather shall provide its members with general information on enforcement and with the contact data of experts in the respective countries.

10. Increasing awareness (4.2.12)

In order to increase the awareness and the understanding of the enforcement of Plant Breeders Rights CIOPORA suggests developing a *Guideline on Enforcement of Plant Breeders' Rights in Australia* for breeders and other people in the business. CIOPORA recently has started to work on such guideline on an international basis and is prepared to share the respective questionnaire with the ACIP.

¹ See COUNCIL REGULATION (EC) No 1383/2003 of 22 July 2003 concerning customs action against goods suspected of infringing certain intellectual property rights and the measures to be taken against goods found to have infringed such rights.

See also COMMISSION REGULATION (EC) No 1891/2004 of 21 October 2004 laying down provisions for the implementation of Council Regulation (EC) No 1383/2003 concerning customs action against goods suspected of infringing certain intellectual property rights and the measures to be taken against goods found to have infringed such rights.

We hope that our comments are helpful in the discussion about the review of enforcement of Plant Breeders Rights.

CIOPORA is very much interested in participating in the further consultation process and would kindly like to ask you to keep us updated on the further discussions.

Please do not hesitate to contact us if you have any further questions.

With kind regards,

CIOPORA

A handwritten signature in blue ink, appearing to read 'E. Krieger', with a stylized flourish at the end.

Dr. Edgar Krieger
Executive Secretary