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WORLD INTELLECTUAL
PROPERTY ORGANIZATION



INTERNATIONAL UNION
FOR THE PROTECTION OF
NEW VARIETIES OF PLANTS

**COMMITTEE OF EXPERTS ON THE
INTERFACE BETWEEN
PATENT PROTECTION AND PLANT BREEDERS' RIGHTS**

Geneva, January 29 to February 2, 1990

**SUMMARY OF COMMENTS RECEIVED BY THE INTERNATIONAL BUREAU OF WIPO
AND BY THE OFFICE OF UPOV ON DOCUMENT CAJ/XXIV/4**

prepared by the International Bureau of WIPO

1. On June 16, 1989, the Director General of the World Intellectual Property Organization (WIPO) and the Secretary-General of the International Union for the Protection of New Varieties of Plants (UPOV) transmitted to the Governments of States members of the United Nations, WIPO or UPOV a draft memorandum entitled "The Interface Between Patent Protection and Plant Breeders' Rights" (document CAJ/XXIV/4, hereinafter referred to as the "draft Memorandum"), which had been prepared by the Office of UPOV in cooperation with the International Bureau of WIPO. The said Governments were invited to submit comments on the draft Memorandum to either the International Bureau of WIPO or the Office of UPOV. In addition, the draft Memorandum was sent to the European Patent Office (EPO) for its comments.

2. Comments were received on the draft Memorandum by the International Bureau of WIPO or by the Office of UPOV from authorities of 14 States, namely, the Patent, Trade Marks and Designs Office of Australia, the Plant Variety Rights Office of Australia, the Institute of Inventions and Rationalizations of Bulgaria, the Permanent Mission of Canada to the Office of the United Nations and Other International Organizations in Geneva, the Federal Ministry of Food, Agriculture and Forestry and the Federal Ministry of Justice (jointly) of the Federal Republic of Germany, the National Board of Patents and Registration of Finland, the National Office of Inventions of Hungary, the Permanent Mission of Mexico to the Office of the United Nations in Geneva and the Other International Organizations having their Headquarters in Switzerland, the Patent Office (Octrooiraad) of the Netherlands, the Ministry of Agriculture and Fisheries and the Ministry of Economic Affairs (jointly) of the Netherlands, the Plant Variety Rights Office of New Zealand, the Royal Ministry of Foreign Affairs of Norway, the Registry of Industrial Property of Spain, the Ministry of Justice of Sweden, the Federal Industrial Property Office of Switzerland, and the Patent and Trademark Office of the United States of America, as well as from the EPO.

3. The present document summarizes the main points of view expressed in the comments received. Where the document attributes a view to a country, the reference to the country is to be understood as a reference to the authority of that country specified in the preceding paragraph. However, in cases where two authorities from the same country have each independently made comments (Australia and the Netherlands), the authority that has expressed the view summarized is identified.

4. All of the details of the views expressed in the comments are not repeated in the present document, especially where such details merely describe current national legislative provisions, as opposed to commenting on the views set out or approaches suggested in the draft Memorandum. Copies of the comments are available on request to the participants in the meeting of the Committee of Experts.

GENERAL OBSERVATIONS MADE ON THE DRAFT MEMORANDUM

5. Of the comments that expressed a view on the suitability of the draft Memorandum as a basis for further discussions, those submitted by Bulgaria, Hungary, Mexico and the Netherlands (Ministry of Agriculture and Fisheries and the Ministry of Economic Affairs) expressed satisfaction with the draft Memorandum as a good basis for further discussions on the interface between patent protection and plant breeders' rights. On the other hand, Australia (Patent, Trade Marks and Designs Office), Finland, Norway, Switzerland, the United States of America and the EPO expressed reservations about the appropriateness of the draft Memorandum as a basis for further discussions on the grounds that the draft Memorandum tended to be unduly weighted in favor of the system of plant breeders' rights and that it gave insufficient attention to the patent system, in general, and to the merits of patent protection, in particular.

6. The comments cited in the previous paragraph in which reservations were expressed about the appropriateness of the draft Memorandum as a basis for further discussions contained, in particular, the following criticisms of the draft Memorandum:

- the draft Memorandum contained a number of misconceptions concerning the operation and application of patent protection in the area of plant biotechnology;

- the draft Memorandum did not devote sufficient attention to the proposals for the revision of the International Convention for the Protection of New Varieties of Plants ("the UPOV Convention") and did not examine the implications that those proposals would have for the patent system.

Misconceptions Concerning Patent Protection

7. Australia (Patent, Trade Marks and Designs Office), Finland, Netherlands (Patent Office), the United States of America and the EPO expressed the view that the comparisons made in the draft Memorandum (in particular, in paragraphs 81, 86 and 87 thereof) between the protection conferred by the plant breeders' rights system and that conferred by the patent system misrepresented the nature of patent protection insofar as those comparisons stated that patent rights attached to "inventive ideas which are abstract in nature" (draft Memorandum, paragraph 81). It was pointed out in those comments that abstract ideas are not patentable. Rather, patent protection is available only in respect of inventions that are described in such a way as to enable a person skilled in the art to make and use the invention. Furthermore, the invention must be manifested in the features of a product or process that is clearly and distinctly claimed in the patent. It was stated that the characterization of patent protection as attaching to abstract ideas tended to introduce complications in the analysis of the relationship between plant breeders' rights and patents that did not exist in practice.

8. Australia (Patent, Trade Marks and Designs Office) and the United States of America considered that the draft Memorandum placed undue emphasis on the existence of an exclusion of plant varieties from the availability of patent protection and failed to refer sufficiently to the positive experience in countries which did not provide for such exclusion from patent protection. It was also pointed out in those comments, as well as in the comments of the EPO, that the explanation of the reasons for the exclusion of plant varieties in Article 53(b) of the European Patent Convention ("EPC") (see the draft Memorandum, paragraphs 48 to 51) did not adequately reflect the historical fact that that exclusion was introduced prior to the development of genetic engineering and other modern biotechnological techniques. In addition, the United States of America stated that the reasons advanced in the draft Memorandum (paragraph 51) as a basis for supporting a broad interpretation of the exclusion of plant varieties from patent protection contained in the EPC (Article 53(b)) were based on the fallacious premise that there was a "general principle that technology may be freely used, and therefore exceptions from patenting should be construed broadly." That premise was considered as negating the whole structure of intellectual property protection.

9. Australia (Patent, Trade Marks and Designs Office) Netherlands (Patent Office) and the United States of America stated in their comments that the draft Memorandum exaggerated the difficulties that had been encountered in applying the criterion of non-obviousness or inventive step to inventions involving plants (see draft Memorandum, paragraphs 31(iv), 35, 56 and 81). In particular, the United States of America pointed out that the reference in paragraph 35 of the draft Memorandum to the "little experience" that existed in the application of the requirement of non-obviousness could no longer be considered to be accurate in view of the accumulated experience that had been gained, in particular, over the period of the last 25 years. It was, moreover, pointed out by Australia (Patent, Trade Marks and Designs Office) that the difficulty of applying the criterion of non-obviousness to inventions involving plants was no different from the difficulties encountered in applying that criterion to any other complex technology such as, for example, metallurgy.

The Netherlands (Patent Office) stated that the draft Memorandum failed to distinguish between an obvious result, the conception of which may not involve any inventive step, on the one hand, and a non-obvious way of realizing that result, which may involve an inventive step, on the other hand.

10. Australia (Patent, Trade Marks and Designs Office), Netherlands (Patent Office) and the United States of America expressed the view that the references in paragraphs 31(v) and 60 of the draft Memorandum to the difficulty of giving a sufficient description of inventions involving plants and to the difficulty experienced with the patent requirement of the repeatability of an invention were exaggerated. The United States of America stated that the positive description of the objective examination undertaken in respect of plant varieties under the plant breeders' rights system, contained in paragraphs 38 to 40 of the draft Memorandum, unnecessarily implied that the system of substantive examination in the patent system was unable to evaluate inventions objectively and created legal uncertainty. Australia (Patent, Trade Marks and Designs Office) pointed out that new techniques, such as isozyme analysis or DNA "finger printing," had been developed which assisted in achieving sufficient and certain description of inventions involving plants, and that the deposit system, as a supplement to written description, provided an option for overcoming difficulties in respect of description and repeatability that was undervalued by the draft Memorandum.

11. Australia (Patent, Trade Marks and Designs Office), the United States of America and the EPO considered that the contrast drawn in paragraph 42 of the draft Memorandum between the exhaustive determination of the scope of protection under the UPOV Convention and the scope of protection pertaining under the patent system, "which allows inventors to specify the scope of protection by the free formulation of claims," misrepresented the actual situation under the patent system. In this respect, it was stated that, while patent applicants are free to formulate claims, patents can be granted only on claims that are fully supported by the description and in respect of inventions that satisfy the rigorous requirements of novelty, inventive step and industrial applicability or utility.

12. Australia (Patent, Trade Marks and Designs Office) and the United States of America considered that the references contained in paragraphs 32, 41 and 56 of the draft Memorandum to the uncertain scope of the application of the doctrine of exhaustion of rights to self-replicating material failed to take into account the jurisprudence and practice of countries in which it seemed to be clear that the doctrine of exhaustion of rights would not apply simplistically to self-replicating material so as to "have the effect of nullifying the benefits of the patent" (draft Memorandum, paragraph 32). In particular, it was mentioned in those comments that the purposive interpretation of patent rights, as well as reference to the intention of a patent owner when marketing a product, would operate to ensure that patent rights were not simply nullified in respect of self-replicating material by the marketing of that material. Switzerland commented, on the question of exhaustion of rights, that it would have been desirable if the draft Memorandum had devoted more attention to the proposals on this question made in the Suggested Solutions prepared by the International Bureau of WIPO for the Committee of Experts on Biotechnological Inventions and Industrial Property (document BioT/CE/IV/3), and to the consequences of those proposals.

Proposals for the Revision of the UPOV Convention

13. Australia (Patent, Trade Marks and Designs Office), Finland, Norway, the United States of America and the EPO expressed the view that the draft Memorandum dealt inadequately with the nature of the proposed revisions of the UPOV Convention and with the likely impact of the proposed revisions on the patent system (see draft Memorandum, paragraphs 89 to 106).

14. Australia (Patent, Trade Marks and Designs Office), Finland, Norway, Switzerland and the EPO drew particular attention to the prohibition on double protection in Article 2 of the UPOV Convention and regretted the lack of explicit discussion on the advantages and disadvantages of maintaining that prohibition.

15. Australia (Patent, Trade Marks and Designs Office), Finland, Germany (Federal Republic of), Norway, Switzerland and the EPO made observations concerning the proposals for the revision of the definition of a plant "variety" for the purposes of the UPOV Convention.

16. Australia (Patent, Trade Marks and Designs Office), Finland, Norway and the EPO expressed considerable hesitation concerning the enlargement of the concept of variety to include plant material or parts of plants, since such an inclusion might have a direct effect on the application of any existing exclusions of plant varieties from patent protection. It was pointed out, in those comments, that plant material might be considered to include subject-matter such as chemically treated seeds, undifferentiated tissue culture and plant cell culture, which, in the laws of many countries, are presently considered to be patentable subject-matter.

17. Switzerland observed that the proposed new definition of plant variety was based on a very broad notion that was not limited to the subject-matter protectable under the UPOV Convention. It expressed the fear that such a definition might create an intermediate field between that which was protectable under the UPOV Convention and that which was protectable under the patent system where no protection might be possible.

18. The Federal Republic of Germany commented that, if the definition of plant variety under the UPOV Convention was not the same as the definition of plant variety for the purposes of an exclusion from patent protection, the consequence might follow that both titles of protection might be available in respect of plant varieties. As a result, certain plant varieties for which patent protection was available would be accorded more extensive protection and would not be subject to those exceptions from protection by plant breeders' rights which had been created for reasons of agricultural policy (for example, the general free availability of a variety as genetic resources for breeding new varieties and the principle of the general free use of harvest material of the variety for consumption and processing). It also pointed out that, if patent protection were granted to parts of plants, a situation might result in which individual parts of plants of a variety would be subject to more extensive protection than that currently provided under plant breeders' rights for the whole variety.

19. The EPO, drawing attention to the relationship between the definition of plant variety in the UPOV Convention and any exclusion of plant varieties from patent protection, observed that the inclusion of parts of plants in the definition of variety would also include parts of plants that have long been used for industrial purposes, such as cells and protoplasts, that is, parts of plants not containing the complete genome of the plant, or even DNA. As a

result of the proposed new definition of variety, an exclusion of plant varieties from patent protection would have the effect of imposing on industrial activities which had absolutely nothing to do with plant varieties a system of variety protection that was inappropriate.

20. Australia (Patent, Trade Marks and Designs Office), Finland, Hungary, Norway, Switzerland, the United States of America and the EPO expressed concern over the proposed revisions of the UPOV Convention concerning dependency and the isolation of plant breeders' rights from the effects of other industrial property titles (Article 5(3) and (5)), as well as over the treatment of those proposals in the draft Memorandum. In particular, the view was expressed that a balance must be found between the plant breeders' rights system and the patent system which did not elevate one system to a position of dominance over the other. In addition, the view was expressed that the proposed revisions of the UPOV Convention in this regard tended to treat overlap between plant breeders' rights and patents as a unique problem, whereas a somewhat analogous overlap existed between industrial design protection and patent protection and between industrial design protection and copyright protection. It was also stated that greater faith than that manifested in the proposed revisions of the UPOV Convention should be placed in the free operation of market forces and commercial negotiation before resort to State intervention.

21. The Federal Republic of Germany pointed out, in relation to the question of dependency, that, at present, an inventor could make free use of a protected variety, on the basis of the breeders' exception under plant variety law, in order to create a new variety by means of genetic modification, whereas, in the opposite case, a breeder could not use patented material. It suggested that consideration should therefore be given to whether the breeders' exception should be abandoned or whether the principle should be maintained and a logical system developed on that basis in order to establish an appropriate balance both as between patent owners and breeders (and vice versa) and between various breeders.

OBSERVATIONS MADE ON THE APPROACH TO THE INTERFACE

22. While the comments received from States were addressed principally to the draft Memorandum, the comments also included a number of views expressed on the main questions affecting the interface between patent protection and plant breeders' rights. Those views are recorded below.

The Prohibition of Double Protection

23. On the question of the prohibition on double protection presently contained in Article 2 of the UPOV Convention, Australia (Patent, Trade Marks and Designs Office), Bulgaria, Finland and the United States of America expressed the view that the prohibition should be deleted.

24. Australia (Plant Variety Rights Office), Switzerland and the EPO expressed the view that the prohibition of double protection, particularly its abolition, needed to be examined in greater detail. The EPO pointed out that present developments, both from the economic and technical point of view, gave rise to doubts as to the relevance at the present time of considerations that lay at the basis of the prohibition of double protection. It noted that, from the technical point of view, genetic engineering had provided the means of deliberately modifying the genetic information of plants, and that such modifications could be achieved with a regularity which, in contrast to traditional

varieties, gave results that were repeatable within the meaning of the requirement of repeatability in patent law. It noted that the removal of the prohibition of double protection would not have the consequence of obliging the member States of the UPOV Convention to grant patents for plant varieties. It expressed its preference for a general principle according to which industrial property rights and their conditions and effects would co-exist and for the suppression of the prohibition of double protection. The prohibition of double protection could be replaced by a rule pursuant to which it would not be possible to ask simultaneously (or to accumulate) patent protection and plant variety protection for the same concrete object.

25. Norway considered that the prohibition of double protection ought to be maintained, provided that the definition of variety was not extended so as to include subject-matter that was commonly considered to be patentable, such as chemically treated seeds, undifferentiated tissue cultures and plant cell cultures.

26. The Netherlands (Ministry of Agriculture and Fisheries and the Ministry of Economic Affairs, as well as the Patent Office) expressed the view that the prohibition should be maintained so that plant varieties or groups higher than varieties should not be patentable as such.

27. Spain indicated that it was in agreement with some means of avoiding double protection by both patents and plant variety rights for the same plant varieties.

Dependency

28. On the question of possible dependency provisions between plant breeders' rights and patents, Australia (Patent, Trade Marks and Designs Office), Finland, Hungary and the EPO expressed the view that, either as a matter of principle, or as a practical approach based on experiences in the patent field, it should be expected that conflicts would be resolved between the parties, and that the compulsory resolution of a conflict by way of a compulsory dependency license granted by a governmental authority should be resorted to only in the event of failure to conclude a voluntary license in accordance with ordinary market principles or clear evidence of an abuse of right on the part of one of the parties.

29. Australia (Plant Variety Rights Office), New Zealand and Spain considered that a system of cross-licensing between patents and plant breeders' rights required further examination and might be acceptable under certain (unspecified) conditions. New Zealand noted that voluntary licensing was to be encouraged because it led to the exchange of know-how and that the value of non-voluntary licensing lay in the encouragement that it constituted for agreement to be reached through voluntary licensing.

30. The United States of America considered that no compulsory provisions should exist in this regard, but that each of the plant breeders' rights system and the patent system should be allowed to develop freely and that questions of conflicts between the two kinds of rights should be left to the resolution of the parties.

31. The Netherlands (Ministry of Agriculture and Fisheries and Ministry of Economic Affairs) considered that patent law should be modified to allow the grant of compulsory licenses to holders of breeders' rights with reciprocal grants of licenses under plant breeders' rights to patent owners, against the payment of equitable remuneration.

Search Files and Examination

32. Australia (Plant Variety Rights Office), New Zealand and Spain emphasized the need for the mutual exchange of information between patent offices and plant variety offices in relation to the examination of patent applications and plant variety right applications, and stressed the value of having a plant variety data base (while not suggesting that such a base could replace the practical examination required for plant varieties).

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