

The development of the CJEU case law in plant variety rights

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ABSTRACT

Plant Variety Rights (or Plant Breeders Rights) involve fundamental aspects of day-to-day life “not limited” to food consumption, access to biodiversity, safeguard of agriculture, incentive of varietal improvement to the benefit of society. The present article will (try to) offer an excursus of the recent developments in the EU case law, assessing the particular regime of Plant Breeders Rights, especially with regard to “traditional” rights as Patents, Trademarks and Designs, with reference to the Judgments of the General Court and the Court of Justice of European Union according to the rules set forth in the EU Regulation No. 2100/94 the International Union for the Protection of New Varieties of Plants.

1.1 INTRODUCTION

After EU Trademarks and designs, the Community Plant Variety Rights (hereinafter, “CPVRs” or, also, “PVRs”) are the second kind of EU-wide IP rights¹. The legal basis for this is Council Regulation (EC) No. 2100/94 on Community plant variety rights (co-called “Basic Regulation”, hereinafter, “BR”). The Community Plant Variety Rights Office (henceforth, “CPVO”, located in Angers, France) provides for administrative services and is the appellate body, playing an essential role as this “sui generis” kind of IP having a great impact on public interests matters as climatic changes; access to improved varieties; safeguard of agricultural production; food safety; environmental protection. These important scopes are present in several of the BR’s recitals, and in particular in art. 13.8, which stated the important principle that:

“the exercise of the rights conferred by Community plant variety rights may not violate any provisions adopted on the grounds of public morality, public policy or public security, the protection of health and life of humans, animals or plants, the protection of the environment, the protection of industrial or commercial property, or the safeguarding of competition, of trade or of agricultural production”.

As administrative authority, the CPVO is responsible for granting CPVRs. Decisions from the CPVO-Board of

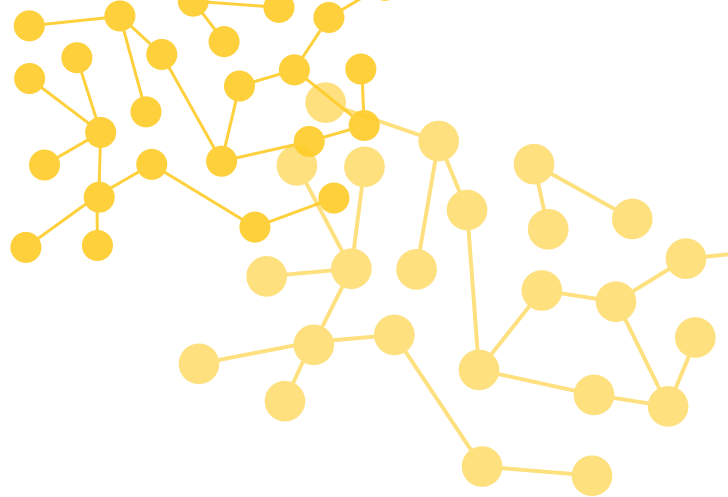
Appeal are subject to the judicial review of the General Court (hereinafter, “GC”) and the Court of Justice of the European Union (hereinafter, “CJEU”). Therefore, the CJEU provides preliminary rulings on the final interpretation of this “new” form of Intellectual Property Rights (hereinafter, “IPRs”) and the complex issues thereof.

The CJEU has reviewed cornerstone principles of the EU PVR law and, namely: the interplay between trademarks and varietal denominations^{2,3}; the extent of CPVR exhaustion (compared with other EU-wide IPs, namely the Design)⁴; the concept of “testing and evaluation” disposals of the variety not causing the loss of novelty according to Art. 10(1) BR and the relationship with the situations laid down Art. 10(2) BR⁵. Other CJEU’s judgments are regarded to the scope and limits of breeders’ exclusive rights on the basis of the “cascade protection” scheme set out in Art. 13(2) and (3) BR⁶. The CJEU decisions have to be blended with the case law of national courts tackling other pivotal topics in the field of PVR⁷, as the definition of the “essentially derived variety” and its practicable consequence/management.

This article is going to review some of the most interesting judgments with regards to critical keynote issues in PVR. Firstly, we will discuss the recent case laws dealing with the sui generis novelty regime in PVR system, the “purpose of exploitation” rule, and further exceptions. Secondly, the interplay between varietal denominations (an important element of PVRs) and Trademarks will also be pointed out, indicating their different “essential functions” and treatment. The boundaries of breeders’ exclusive rights as per the “cascade protection”, as reaffirmed by the CJEU in the “Nadorcott” judgment, will be also discussed together with other important considerations coming from this important decision. Finally, this work will present the recent developments of the complex (legal) concept of the Essentially Derived Varieties.

1.2 THE CONCEPT OF “TESTING AND EVALUATION” DISPOSALS AND THE SITUATIONS COVERED BY ART. 10(2) BR.

Novelty regime in PVRs substantially differs from novelty in patents, as it is constructed on the “commercial novelty” criterion. Indeed, in case of PVRs, it is effective exploitation of the variety (either its varietal constituents or the harvested material, as clarified from 2009 UPOV Explanatory Notes)⁸ and not the “disclosure” of the teaching embodied the invention, to cause the loss of novelty.



By setting the novelty requirement, Art. 6 of UPOV⁹ has introduced the subsequent requirement that, to be detrimental of the validity of the PVR, disposal of the variety to third parties must occur with the consent of the breeder for the “purpose of exploitation”¹⁰.

This other requirement was intended to simplify the assessment of the novelty-destructive disposals, as the simple “offer for sale or marketing” of the variety was considered a novelty destructive activity in earlier versions. Art. 6(1)(b)(ii) of UPOV 1978 expressly excluded the *trials* of the variety *not involving* sale or disposal to others for exploitation purposes of the variety.

In the BR, the general rule (purpose of exploitation) is confirmed by Art. 10(1) BR, while (2) paragraph foresees various circumstances under which the disposals will not be deemed for exploitation purpose without therefore involving the loss of novelty.

The interpretation of Art. 10(1) and especially (2) BR revealed difficult over the time, leading the 2012-2015 CPVO Ad Hoc Legal Working Group (LWG)¹¹ to propose the adoption of new recitals in the BR, as well as new paragraphs in Art. 10 BR. That was to cope with the correct interpretation of the “event” negating novelty (physical transfer or the material or agreement, varying on the different legal traditions in the MS).

An important clarification in the interpretation and assessment of Novelty has been released by UPOV on October 22nd 2009, with the adoption of the current version of the Explanatory Notes (hereinafter, only “EXN”) about Novelty¹², containing a positive list of disposals for “testing and evaluation purpose”, not causing any loss of novelty.

¹ The International Union for the Protection of New Varieties of Plants (hereinafter, “UPOV”) has introduced this new form of IP rights in 1961. The Convention was adopted in Paris in 1961 and it was revised in 1972, 1978 and 1991. The European Union joins the last version of the UPOV in 1991.

² *Rose Kordes Monique Case* Case T-569/18, *W. Kordes' Söhne Rosenschulen GmbH & Co KG v EUIPO*, Judgment of the General Court [Second Chamber] [2019];

³ in this regard, the interpretation of the “essential element” within the scope of Art. 7(1)(m) EUTMR is vital;

⁴ *Kanzi Case C-140/10 - Greenstar-Kanzi Europe v. NV v Jean Hustin and Jo Goossens*, Judgment of the Court [First Chamber] [2011];

⁵ *Case T112/18, Pink Lady America LLC v. CPVO*, Judgment of the General Court [Third Chamber], [2019];

⁶ *Nadorcott Case; C-176/18, Club de Variedades Vegetales Protegidas v Adolfo Juan Martinez Sanchis*, Judgment of the General Court [Seventh Chamber] [2019];

⁷ The CPVO has exclusive jurisdiction in case of cancellation/nullity proceedings and counterclaims before a national court in the context of an infringement action. This marks a difference between CPVRs and

EUTMs.

⁸ On October 22nd 2009, UPOV published the current version of the Explanatory Notes on novelty under UPOV Convention;

⁹ See, footnote n. 1;

¹⁰ This further requirement is an introduction of UPOV 1991. Under UPOV 1978, it was sufficient, for the loss of novelty, that the variety had been disposed of or simply offered for sale or marketed by the breeder or with his consent.

¹¹ <http://cpvoextranet.cpvo.europa.eu/data/acarea/documents/ACLW2015/1025/REPORT%20Ad%20Hoc%20LWG%20to%20AC.pdf>.

¹² in particular, section 6 of 2009 UPOV EXN states that : “The following acts may be considered not to result in the loss of novelty: (i) trials of the variety not involving sale or disposal of to others for purposes of exploitation of the variety (clarified in 1978 Act); (ii) sale or disposal of to others without the consent of the breeder; (iii) sale or disposal of to others that forms part of an agreement for the transfer of rights to the successor in title; (iv) sale or disposal of to others that forms part of an agreement under which a person

multiplies propagating material of a variety on behalf of the breeder where that agreement requires that the property in the multiplied material of the variety reverts to the breeder;

(v) sale or disposal of to others that forms part of an agreement under which a person undertakes field tests or laboratory trials, or small-scale processing trials, with a view to evaluating the variety;

(vi) sale or disposal of to others that forms part of the fulfillment of a statutory or administrative obligation, in particular concerning biosafety or the entry of varieties in an official catalogue of varieties admitted to trade;

(vii) sale or disposal of to others of harvested material which is a by-product or a surplus product of the creation of the variety or of the activities referred to in items (iv) to (vi) above, provided that the said material is sold or disposed of without variety identification for the purposes of consumption; and (viii) disposal of to others for the purposes of displaying the variety at an official, or officially recognized, exhibition”; [https://www.upov.int/meetings/en/doc_details.jsp?meeting_id=17484&doc_id=182651]

In *Cripps Pink*¹³, the General Court (hereinafter, “GC”) has confirmed the pivotal role of novelty, stating that it is in the public interest that a unlawfully granted variety has to be voided and ruled out¹⁴. Unlike the technical examination, where the CJEU’s review of CPVO BoA decisions dealing with complex technical issues is limited to

“manifest errors”, in the case of nullity proceedings the CJEU is entitled to conduct a full review of the legality of decisions. This is “if necessary examining whether the Board of Appeal concerned made a correct legal characterisation of the facts of the dispute or whether its appraisal of the facts placed before it was flawed (see judgment of 19 December 2012, Brookfield New Zealand and Elaris v CPVO and Schniga, C534/10 P, EU:C:2012:813, paragraphs 39 to 40 and the case-law cited)”.

The GC had to decide whether the commercial exploitation of the *Cripps Pink* apple tree variety, flowing in Western Australia several years before the application of the CPVR (the novelty bar date), were to be considered detrimental of novelty or not, as it was caused by an “initial disposal” made in 1985 by the breeder for “testing and evaluation” purpose, according to Art 10 (1) BR.

With regards to the 1985 initial disposals, GC drew the following conclusion. While the breeders’ letters accompanying the “first disposals” to Western Australian growers could not themselves to qualify them as “solely for testing”, after a global appreciation of the surrounding facts and admitted documentary evidence¹⁵, that had to be the only purpose of 1985 disposals, not causing the loss of novelty according to Art 10(1) BR.

The GC pointed out that, without other evidence, Art. 10(2)¹⁶ was not applicable to the further sales occurring in Western Australia. In more details, as the GC pointed out, that article shall be regarded as a *specification* of the circumstances

“in which certain legal situations are or are not covered by the concept of disposal for purposes of exploitation of the variety within the meaning of Article 10(1) of the Basic Regulation”.

Therefore, the GC rejected the reading of Art. 10(2) as a definition of the concept and the conditions for “testing and evaluation” disposals, i.e. those “solely for production, reproduction, multiplication, conditioning or storage” which would not involve loss of novelty only if i) “the breeder preserves the exclusive right of disposal of these and other variety constituents”, and ii) “no further disposal is made”. This interpretation was indeed supported by the comparison of the “circumstances” as per Art 10(2) BR and those set out by UPOV 2009 EXN which present a list of disposals and uses of the varieties not involving the loss of novelty (field tests, laboratory trials, evaluation without further multiplication and exploitation of the variety as clarified in the 1978 Act). In the opinion of prominent EU PVR law doctrine, the provision under Art 10(2) constitute indeed an “exception to or, depending on the interpretation, further elaboration of the main rule given in the first paragraph”¹⁷. According to the GC, it is sufficient, to avoid the loss of novelty, that the disposal to a third party being made by the breeder or with his consent without the “purpose of exploitation of the variety” according to art 10(1) BR.

GC’s interpretation seems therefore to negate the “exception” of “further elaboration” nature of Art. 10(2) BR, with the result that subsequent facts may nevertheless leave intact the novelty, as the intention of the breeder when he disposed of the variety is the only relevant criterion. And that including the avoidance of any preservation of the rights of disposals and the further commercial exploitation.

However, in another case dealing with the interpretation of art 10 BR, the GC held that, for a “testing disposal” of the variety to not cause the loss of novelty, it is necessary meeting that no further sales or disposals of the varieties to third parties for the purpose of exploitation.

In *Kiku*¹⁸, (cited in the *Cripps* case) the GC indeed fully referred to the twofold condition for a testing disposal not to cause the loss of novelty according to Art 10 BR, namely (in more details, “*En outre, il y a lieu de rappeler qu’une cession aux fins d’essais sur la variété n’impliquant pas la vente ou la remise à des tiers à des fins d’exploitation de la variété n’est pas destructrice de nouveauté au sens de l’article 10 du règlement no 2100/94*”).

¹³ *Pink Lady America v CPVO*, cited;

¹⁴ *Pink Lady America v CPVO*, cited, para 45 and reference to para 52 of Schröder v CPVO, C546/12 P, EU:C:2015:332

¹⁵ *Pink Lady America v CPVO*, cited, para 65;

¹⁶ Art 10 (2) BR relates indeed “disposal of variety constituents to an official body for statutory purposes, or to others on the basis of a contractual or other legal relationship solely for production, reproduction, multiplication, conditioning or storage, shall not be deemed to be a disposal to others within the meaning of paragraph 1, provided that the breeder

preserves the exclusive right of disposal of these and other variety constituents, and no further disposal is made”;

¹⁷ European Plant Variety Protection, Würtengerber, Van Der Kooij, Kiewiet, Ekvad, Oxford 2015, par. 3.66 etc.

¹⁸ C-444/19, *Kiku v CPVO* — Sächsisches Landesamt für Umwelt, Landwirtschaft und Geologie (Pinovala), T-765/17, paragraph 74:

¹⁹ C886/19 P, *Pink Lady America v UCVV*, [2020];

²⁰ For an analysis on the effects of the new procedure set forth by Article 170a of the Rules of Procedure of the CJEU, see Antonella

Gentile, One year of filtering before the Court of Justice of the European Union, *Journal of Intellectual Property Law & Practice*, 2020, Vol. 15, No. 10

²¹ According to Art 124 (d) EUTMR 2017/1001, EU trade mark courts shall have exclusive jurisdiction or counterclaims for revocation or for a declaration of invalidity of the EU trade mark (pursuant to Article 128).

²² This provision underlines the fact that only the Office is competent with regard to the nullification or cancellation of a Community plant variety right. Kiewiet, Plant variety

From a point of view, the interpretation of Art 10(2) BR and its systematic position with regards to Art 6 UPOV and UPOV EXN on Novelty is still open to further developments by either the GC and eventually the CJEU. Given the extreme importance of a uniform interpretation of an important and fundamental public-order rule, it was a pity that the CJEU disallowed the appeal brought against GC's Judgment in *Cripps Pink*¹⁹, especially based on of the different approach adopted in *Kiku*. That is probably a missed opportunity to treat a matter of extreme significance, with respect to the unity, consistency or development of EU law²⁰.

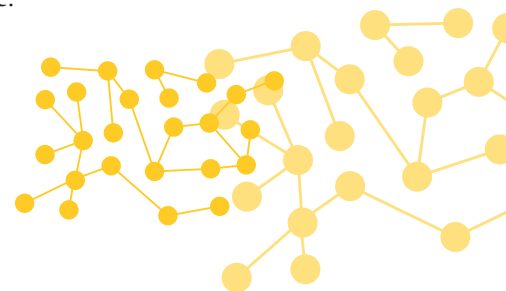
1.3 THE ROLE OF NATIONAL COURTS IN THE ASSESSMENT OF CPVR VALIDITY

Unlike the EUTMR²¹, Art. 105 BR sets out that “A national court or other body hearing an action relating to a Community plant variety right shall treat the Community plant variety right as valid”. This rule has been unanimously considered as reserving the CPVO the competence to assess nullity actions²². National courts have jurisdictions in case of infringement. However, by Order of February 26th 2014, the Tribunal of Milan addressed a “nullity exception” filed by Agriseeds SRL against Gautier Semences SaS in case 27229/2012²³. Gautier filed an injunction order alleging infringement of its exclusive rights on a seeds registered variety and Agriseeds raised an exception for lack of novelty based on various evidence showing commercialization of the seed's variety before the novelty grace period. Even though within the limited and summary scope of the preliminary injunctions pursuant Art 700 of Italian procedural code, the Italian Court, found in favor of Agriseeds for the lack of novelty of the seed variety, hence dismissing the seizures orders and other measures requested by Gautier. The importance of the Milan case is self-evident, as it could open the way for an alternative and potentially concurrent assessment of the EU Plant Breeders' Rights (PBR) Novelty.

1.4 RELATIONSHIP BETWEEN VARIETAL TRADEMARKS (VT) AND PLANT VARIETY DENOMINATIONS (PVD): THE NAME OF THE ROSE.

About denominations, it is interesting to monitor the evolution of CJEU case-law, with regards to the interplay between EUTMs and earlier varietal denominations. A Plant Variety Denomination (hereinafter, “PVD” or “VD”) is the name that the breeder chooses when filing a PVR application. The PVD plays a twofold function. Precisely, until the PVR will be validly registered, it will form the object of the exclusive right of the PVR owner, and it will be subject to an obligation to be used in the commercialization of the variety according to Art.17 BR²⁴. Upon expiry, instead, the VD will essentially play a public interest function, as it will be the generic name of the variety uniquely identifying the variety in the marketplace. For this reason, as the breeder has the faculty to adopt also a (varietal) trademark to identify its variety²⁵, Art. 7(1)(m) EUTMR establishes an absolute ground of refusal. Indeed, the applied-for trademark will need not to cause a LoC with earlier (even expired) varieties, as this would hamper the free-use right of the VD²⁶. Art. 20 of UPOV 1991 indeed demands that “no rights in the designation registered as the denomination of the variety shall hamper the free use of the denomination in connection with the variety, even after the expiration of the breeder's right”.

UPOV²⁷ and CPVO²⁸ have released their EXN and Guidelines on varietal denominations and class-31 trademark examination, limiting the adoption of a denomination that is identical or is confusingly similar with another variety of the same or of a “closely related species”. Traditionally, EUIPO has always considered this impediment in a strict way, raising objections and rejecting EUTMs application in class 31 when the CPVO variety finder databases showcased existing varieties with the same or a confusingly similar name.



protection in the European Community, WPI, 27 (2005). Pgs 319 [322];

²³ Available through the case-law finder at CPVO website;

²⁴ The obligation to display the varietal name in the trade of the varieties (and their harvested material), also plays the essential public order function to permit, from the outset, the identification of the variety with its future generic denomination. This is why a varietal denomination “must be used not only by the breeder but also by any other person who offers for sale or markets reproductive or

vegetative propagating material of that variety”, European Plant Variety Protection, Würtengerber, Van Der Kooij, Kiewiet, Ekvad, Oxford 2015, par. 6.39.

²⁵ In this sense, it is important to distinguish between “umbrella” trademarks referring to many varieties, and “varietal trademarks” selected to distinguish one particular plant variety, with the exclusion of other genera/species of products traditionally classified under the class-31 of Nice Classification.

²⁶ UPOV and CPVO have released their Explanatory Notes on varietal denominations,

allowing the use of similar or identical VDs when they relate varieties of “unrelated botanical species”;

²⁷ https://www.upov.int/export/sites/upov/publications/en/pdf/upov_inf_12_3.pdf;

²⁸ https://cpvo.europa.eu/sites/default/files/documents/lex/guidelines/VD_Guidelines_explanatory_note_EN.pdf;

However, on October 15th 2015, in some decisions related to six joined cases dealing with class-31 trademark application²⁹ (also, upon participation by the CPVO BoA in the oral hearing), the EUIPO consented the registration of the applied-for trademarks when they related varieties of “unrelated species”. The EUIPO also allowed the trademark applicant to specify the list of “goods” excluding the varieties already registered, according to the IP Translator case law.

In *Kordes*, the CJEU had the opportunity to assess the likelihood of confusion between VDs and Trademarks and to provide an interpretation of the “essential element” of the VD according to Art 7(1)(m) EUTMR³⁰. “*Kordes’ Rose Monique*” EUTM application has been initially rejected by the EUIPO in reason of the earlier (and expired) “*Monique*” rose VD. The BoA upheld the Opposition Division decision, finding that the applied-for trademark could have hampered the free usage of the *Monique* rose variety in the market. However, the GC has refused to automatically attach any “essential element” character to the *Monique* component of the applied-for trademark, simply because of the correspondence with an earlier (expired) varietal denomination. In the lack of a judicial definition of the “essential element” of a VD, the GC considered the scope of the UPOV legislator was that of preserving the essential function of the varietal denomination, i.e. its free usage to identify the variety. It will be only when the varietal denomination will overlap with the dominant component of the applied-for trademark that such free usage may effectively be hampered, in breach of Art. 7(1)(m) EUTMR.

That was not the case. After the GC applied the “dominant element” criteria in paragraph 32, the result that the concept conveyed by the trademark was only that it referred to one of the various *Monique* rose varieties sourced from a particular company. And, exactly, that one in this case the *Kordes* (which will play the trademark “essential function”, according to *Tetra Pharm (1997) / EUIPO – Sebapharma (SeboCalm)*, T441/16, not published, par 49 and the case-law cited).

The importance of the *Kordes’ Judgment* is evident, especially considering that most of the trademarks are associated with a specific plant variety. As a result, the existence of earlier varietal denomination will also influence the likelihood of confusion assessment between trademarks and, particularly, the dominant character of their component when they are also part of earlier valid and/or expired VD relating to the same botanical species.

1.5 THE NADORCOTT CASE AND THE SCOPE OF BREEDERS’ RIGHTS

In *Nadorcott*, the Spanish Court was dealing with the provisional protection as per Art. 95 BR in a case where trees of variety already purchased from a public nursery were planted by the grower and the fruits issued thereof were commercialized before the grant of the relevant PBR. The CJEU was required to answer the question referred by the Spanish Court. In short, it was necessary to address whether, before the granting of the plant variety certificate, the reproached acts amounted to an “unauthorized use” of the plant varieties according to Art. 13(2) and (3) BR.

These two provisions play a fundamental role in the UPOV systematic legislation, as they organize the limits and scope of protection of breeders’ rights on several levels: the so called “cascade protection” system. The first level comprehends those acts requiring the authorization of the breeder, and they are enlisted under Art 13(2). These acts are exclusively related to the “variety constituents”, notwithstanding the formulation of said article taking also into account the “harvested material”. Indeed, this is clarified in Art 13(3), stating that provisions under Art. 13(2), i.e. acts reserved to the breeder’s authorization, will apply to harvested material “only if this was obtained through the unauthorized use of variety constituents of the protected variety, and unless the holder has had reasonable opportunity to exercise his right in relation to the said variety constituents”.

The difference is vital as, prior to the grant of the PBR, it

²⁹ <https://cpvo.europa.eu/en/news-and-events/news/denominations-plant-varieties-and-absolute-grounds-refusal-ctm-applications>;

³⁰ It shall be pointed out that, before the introduction of this new ground of refusal, EUIPO was entitled to raise objections on the basis of the descriptiveness and lack of distinctive character principles set forth under articles 7(1)(b) and (c) of earlier EUTMR versions.

³¹ Prof. Jay Sanderson, *Towards a (Limited) Cascading Right*, [2011] 34(3) UNSW Law Journal 1104

³² The 2013 UPOV Explanatory Notes on acts in respect of harvested material already clarified that “unauthorized use” refers “to the acts in

respect of the propagating material that require the authorization of the holder of the breeder’s right in the territory concerned (Article 14(1) of the 1991 Act), but where such authorization was not obtained. Thus, unauthorized acts can only occur in the territory of the member of the Union where a breeder’s right has been granted and is in force”.

³³ It is indeed also necessary that the breeder had no any earlier “reasonable opportunity to exercise his right in relation to the said variety constituents”, with an evident link with the limited “exhaustion” rule set for by art 16 BR. See point 31, “In particular, it is clear from the provisions of Article 16 of Regulation No

2100/94 relating to the exhaustion of the protection afforded by the Community plant variety right, that such protection extends to acts concerning material of the protected variety that has been disposed of to third parties by the right holder or with his or her consent only where those acts involve, inter alia, further propagation of the variety in question that was not authorised by the right holder”.

³⁴ *European Plant Variety Protection*, Würtengerber, Van Der Kooij, Kiewiet, Ekvad, Oxford 2015, par. 7.44 etc.

³⁵ Art 94 (full protection) allows the breeder to “enjoin such infringement or to pay reasonable compensation or both”;

would not be technically possible for the breeder to allege infringement of his exclusive rights under Art 94 BR because it is only with the grant of the PVR that such authorization may be sought or even granted.

As a consequence, the breeder will have no valid claim and the fruit will be freely commercialized in the market when it will not be possible to claim/demonstrate that the fruit has been produced from “unauthorized” trees (including the case of trees planted before the grant).

In this sense, Nadorcott Judgment invests indeed major and fundamental aspects of the UPOV legislation, notably the scope and extent of breeders’ exclusive rights, and their rationale. Since the first version of UPOV 1961, the scope of breeders’ exclusive rights have been limited to the use of the *varietal constituents* for propagating purposes³¹. The word “harvested” has been introduced by UPOV 1991 according to the “cascade protection” system. In particular, it offered the opportunity for the breeders to exercise their exclusive rights also with regards to the harvested material, under specific (restrictively interpreted) conditions set out in Art. 14(2) UPOV 1991, translated by Art. 13(3), to prevent re-importation of fruits/cut flowers from countries where no PVR protection was available.

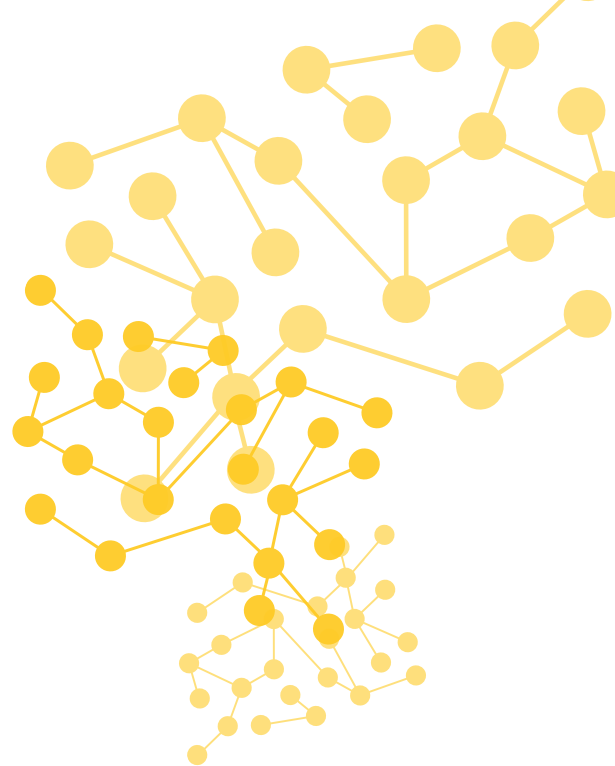
The Advocate General and the CJEU have interpreted and read systematically the whole PVR legislation, including the UPOV Explanatory Notes and the discussions taking place in the last decades during the UPOV Diplomatic Conferences.

In response to the Spanish Court, the CJEU has considered that the acts of planting (already multiplied) fruit trees and harvesting/selling fruit issued therefrom fall outside the scope of Art. 13(2) BR, which is limited to *production/reproduction* acts (the case related a mandarin tree variety, where fruits may not be used as reproduction material)³².

Indeed, the Court has considered the “contest” in which Art 13 arises. In particular, under 5, 14 and 20 recitals of that regulation, even though the scheme introduced by the European Union is intended to grant protection to breeders who develop new varieties in order to encourage the breeding and development of new varieties for the public interest, “*such protection must not go beyond what is necessary to encourage such activity, otherwise the protection of public interests such as safeguarding agricultural production and the need to supply the market with material offering specified features, or the main aim of maintaining the incentive for continued breeding of improved varieties may be jeopardized*”. According to a combined reading of Recitals 17 and 18 of that regulation, the agricultural production constitutes a public interest that justifies restricting the exercise of Community plant variety rights. The limitation of breeders’ “*jus prohibendi*” to acts having as their object vegetative propagating material, as defined in art. 13(2), is the pillar of this “cascade protection” system.

The result is the following. The planting of a fruit tree which already formed the object of vegetative reproduction has to be considered as falling under art. 13(3), as its purpose is to harvest and selling fruits in the market, and as such, it may only be “authorized”/“prohibited” after the relevant PVR title has been granted.³³

The coherence of the Nadorcott Judgment and the



“cascade protection” system set out by UPOV in 1961 seems to be also confirmed by the fact that Art. 95 qualifies the compensation due to the breeder for the use of its variety before the grant with the “reasonable” adjective.

According to prominent EU doctrine³⁴, such an article establishes a (retroactive) protection meant to be an incentive to make the material of the applied-for variety available prior to the grant of plant variety protection. And, this would be compensating the lack of damage claims and/or injunctions which may only be asserted upon the grant, with possible inhibitory effect on the willingness of breeders to make available to third parties material of the variety. This would indeed go against the purpose of Art 95 BR³⁵. Further to Nadorcott Judgment, several orders have been issued by EU Courts dismissing the injunctions (and the requests to uproot entire plantings) filed by several table-grape variety owners claiming infringement of their PVR with regards to plantings occurred before the grant.

1.6 ESSENTIALLY DERIVED VARIETIES

EDV is a critical (legal) concept introduced by UPOV 1991 and transposed by Art. 13(5)(a) and (6) BR, giving effect to the recital stating (emphasis added) “[*Whereas*] in certain cases where the new variety, although distinct, is essentially derived from the initial variety, a certain form of dependency from the holder of the latter one should be created”.

Since then, the concrete application of the above concept has been extremely difficult, as it seems to counter the fundamental UPOV principle of the breeders’ exception, i.e. that no PVR may never restrict/impede the breeding, discovering and developing other varieties starting, as per art. 15(c) BR.

In the EU system, if the CPVO finds the candidate variety to be sufficiently distinct (also in respect of the Initial Variety), it will grant the full CPVR without taking any position on EDV claims. Absent a joint request by the Initial Variety (IV) and the EDV owner, the assessment and declaration of an EDV is demanded to the EU national courts, according to art 99 BR³⁶. The last version of the UPOV (2017) EXN on EDV gave greater relevance to the concept of “essential characters” of the derived varieties, with a particular focus on the commercial/market value of the new features³⁷. A new draft of EDV EXN is being discussed before UPOV, in order to adjust the possible interpretative issues resulting from international courtrooms where different approaches often led to diverging decisions. In their joint presentation, the major breeder’s association stressed the need of safe guidelines to uniformly apply the EDV legal concept, focusing on the need of practicable and affordable solutions on its concrete management³⁸.

This seems one of the most delicate issues, as there is a need to set it based on the fundamental and specific principles of PBR law, differing from the principle laid down in the patent law.

The core of the UPOV legal system is the need to provide society with better and improved genetic resources embodied in plant varieties. In particular, it is of great importance that the EDV scope is clearly and carefully limited, in order to not interfere with the legitimate use of any registered variety (or even varieties) for the purpose of new breeding activity.

Unrestricted access to registered plant varieties is the logical premise consenting to the breeding and further commercialization of improved varieties³⁹. The breeders’ exception - which should introduce a “principle of independence” in the plant varieties as opposed to the “principle of dependency” in the patent world - is an undisputed cornerstone in UPOV legislation⁴⁰.

The reference to the patent system is of the utmost

importance and this is also in consideration of the recent decision G 3/19 by the EPO Enlarged Board of Appeal. In the mentioned decision, it is said that plants made by technical methods are now patentable (while the general exclusion still applies to plants produced by non-technical processes such as *crossing* and *selection*). As a result, Art. 27(c) of Agreement on a Unified Patent Court (AUPC) contemplates an exception corresponding to biological patent “for the purpose of breeding, or discovering and developing other plant varieties”.

This allows free use of patented plant material for breeding, with a license from the patent owner to commercialize new varieties bearing the patented trait. Once the Unitary Patent comes into force, the exemption will take effect in the EU. The EDV will need to be carefully limited and defined, in order not to hamper this general rule. In this sense, the traditional concept is that EDV should be limited to “cosmetic changes” or “me-too” varieties⁴¹. Other legislations of the UPVO members also reflect this as, for example, the Australian legislation. In this country, in fact, the authority granting PBRs can assess the EDV claims through opposition proceedings and the successful party will also have a so - called “veto power” for its commercialization.

According to other theory⁴², EDV may not amount to a plagiarism/ “mee-too” test, this being demonstrated by the “clearly distinguishable” requirement under Art. 7(1) BR in order to register a given candidate variety (together with Uniformity and Stability).

However, it will be important to follow the activity at the UPOV level. In fact, as in the case of a broader definition for the EDV concept, it will also be relevant to clarify its discipline and practical effects⁴³, so that the work and financial efforts done by the initial breeder may be rewarded and further breeding efforts may be supported.

³⁶ Other UPOV members, notably Australia, adopted a different approach, where the IP Office is entitled to assess the EDV claims within a proceeding similar to EUIPO’s EUTMs oppositions: <https://www.ipaustralia.gov.au/plant-breeders-rights/understanding-pbr/pbr-detail/essentially-derived-varieties>

³⁷ https://www.upov.int/edocs/expndocs/en/upov_exn_edv.pdf.

³⁸ https://www.upov.int/edocs/mdocs/upov/en/wg_edv_2/wg_edv_2_2.pdf;

³⁹ According to UPOV EXN on Breeder’s exception: “The exception under Article 15(1) (iii) states that the breeder’s right shall not extend to “acts done for the purpose of breeding other varieties, and, except where the provisions of Article 14(5) apply, acts referred to in Article 14(1) to (4) in respect of such other varieties.”. This is a fundamental element of the UPOV system of plant variety

protection known as the “breeder’s exemption”, whereby there are no restrictions on the use of protected varieties for the purpose of breeding new plant varieties”, https://www.upov.int/edocs/expndocs/en/upov_exn_exc.pdf;

⁴⁰ Interestingly, EDV may also form the object of a compulsory license. The grant of PBR compulsory licenses in plant varieties is however subject to strict “public interest” condition, as per the only case decided by the CPVO so far (Decision nr NCL 001, of the 16th of March 2018, <https://ipkitten.blogspot.com/2018/04/public-interest-in-plant-variety-rights.html>). In contrast, it seems that conditions for the grant of patent compulsory license (and, eventually, also for varieties obtained by technical methods) may be requested for less stringent conditions including the lack of exploitation and the

important technical advance of considerable economic importance.

⁴¹ The purported scope of EDV was to limit ‘plagiarism’, ‘copycat breeding’, ‘mimic’, ‘imitation’ or ‘cosmetic’ varieties, and an unfair free riding on the original plant breeder’s time and investment: see Plant Breeder’s Rights and Essentially Derived Varieties: Still Searching for Workable Solutions - Charles Lawson, Griffith Law School (2016), p. 1;

⁴² Dr. Edgar Krieger, CIOPORA’s Secretary General, in “EDV: a protection mechanism, not plagiarism prevention”, European Seed 1/2021 [<https://www.ciopora.org/post/european-seed-1-2021-preview-dr-edgar-krieger-on-edv>];

⁴³ In this sense, the seed sector has developed a reliable system to address EDV disputes.



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