

**PRACTICAL INFORMATION RELATING TO THE ENFORCEMENT
OF THE COMMUNITY PLANT VARIETY RIGHT**

Introduction

On 27 April 1995 the substantive and procedural parts of Council Regulation (EC) No 2100/94^(a) (“the Basic Regulation”) came into force introducing a system of Community plant variety rights. As a regulation (as opposed to a directive, decision or opinion), the Basic Regulation is directly applicable in the laws of the member States and requires no further implementation, save insofar as may be necessary to ensure that existing enforcement powers available in respect of national plant variety rights is also available in respect of Community plant variety rights. It creates rights which may be pleaded in national civil courts.

The Community plant variety right (CPVR) is a form of intellectual property akin to a patent. Prior to the introduction of the new system, a plant breeder seeking protection for a new variety in the whole of the territory of the European Community was obliged to make separate applications in each individual member State. Now, on the basis of one application to the Community Plant Variety Office (“the Office”), a breeder may be granted a single intellectual property right operative throughout the European Community. The CPVR has uniform affect within the territory of the Community and may not be granted, transferred or terminated otherwise than on a uniform basis in relation to that territory.

The new system is not intended to replace or even harmonise national systems but rather to exist alongside them as an alternative; indeed it should be emphasised that it is not possible simultaneously to hold both Community and national plant variety rights in relation to that variety. Similarly, a CPVR cannot co-exist with a patent. Any national plant variety right or patent granted for a variety in relation to which a CPVR already exists, will be ineffective. Where a CPVR is granted in relation to a variety for which a national right or patent has already been granted, the national right or patent is suspended for the duration of the CPVR.

^(a) OJ No L227, 1.9.94, p.1.

On receipt of an application for a CPVR, the Office must establish that the variety, which may be of any botanical genera or species, is novel and that it satisfies the criteria of distinctness, uniformity and stability (DUS). Once granted, the duration of a CPVR is 25 years, or 30 years in the case of vine and tree varieties. These periods may be extended by legislation for a further 5 years in relation to specific genera or species; the duration of the right in relation to potato varieties has been extended to 30 years.

Naturally, to a breeder of new varieties of plants a CPVR is only as useful as it is enforceable. It is the aim of this paper to familiarise members of the legal profession in member States, and others, with this recently introduced intellectual property right with a view to facilitating its enforcement by the holder in the various national legal systems. All references to numbered articles are references to articles of the basic Regulation.

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ENFORCEMENT OF THE COMMUNITY PLANT VARIETY RIGHT

Scope of the CPVR

The nature of the right

Article 13 provides that the holder of a CPVR shall be entitled to effect certain acts in relation to variety constituents^(b) of the protected variety, and that others wishing to effect those acts in relation thereto must first obtain the authorisation of the holder, who may attach conditions and limitations to his authorisation. The acts in question are –

- (a) production or reproduction (multiplication);
- (b) conditioning for the purpose of propagation;
- (c) offering for sale;
- (d) selling or other marketing;
- (e) exporting from the Community;
- (f) importing to the Community; and
- (g) stocking for any of the purposes mentioned in (a) to (f).

The scope of the CPVR extends to harvested material of the variety (for example fruit) where this has been obtained through the unauthorised use of variety constituents of the protected variety (the fruit trees) and the holder has not had a reasonable opportunity to exercise his right in relation to those variety constituents. This is sometimes referred to as the “cascade” effect of the CPVR. Indeed, the basic Regulation enables similar provision to be made in relation to products directly obtained from harvested material of the protected variety but this power has not yet been exercised.

Quite apart from material^(c) of the protected variety itself, the CPVR also extends to the following three categories of separate, but connected, varieties –

- (a) varieties which are essentially derived from the protected variety;
- (b) varieties which are not “distinct” from the protected variety in the sense of article 7 (but which, having been independently bred are not exactly the same as the protected variety); and
- (c) varieties whose production requires the repeated use of the protected variety (such as hybrids, where the protected variety is a parental line).

^(b) “variety constituents” are defined in article 5 as “entire plants or parts of plants as far as such parts are capable of producing entire plants”.

^(c) “material” is defined in article 13(2) as “variety constituents or harvested material of the protected variety”.

Derogation from and limitations of the right

Article 14 creates a derogation from the CPVR, popularly known as the “farm saved seed” derogation, in favour of farmers sowing, on their own holding, seed derived from the harvested crop of a protected variety grown, once again, on their own holding. The derogation applies only to certain specified agricultural crops.

Article 15 lists five categories of acts which do not fall within the scope of the CPVR –

- (a) acts done privately and for non-commercial purposes;
- (b) acts done for experimental purposes;
- (c) acts done for the purpose of breeding, or discovering and developing other varieties;
- (d) in relation to the “other varieties” referred to in (c) above, the acts referred to in article 13(2) to (4), except where article 13(5) applies or where such a variety, or material thereof, is protected by right the scope of which is not limited by a provision comparable to (c) above; and
- (e) acts whose prohibition would violate the provisions laid down in Articles 13(8), 14 or 29.

Article 16 deals with exhaustion of the CPVR. The basic principle is that a CPVR shall not extend to acts effected in relation to material of a protected variety, or a variety referred to in article 13(5), (or any material derived from such material) which has been disposed of to others by, or with the consent of, the holder in any part of the Community. However, the CPVR will not be exhausted in these circumstances if the acts effected involve–

- (a) further propagation of the variety which was not intended when the material was disposed of, or
- (b) the export of variety constituents to a third country which does not protect varieties of the genus or species to which the protected variety belongs, unless the export is for final consumption.

Brief mention should also be made in the context of limitations on the scope of the CPVR of the powers conferred on the Community Plant Variety Office by articles 29 and 100(2) to grant compulsory exploitation rights. These rights, which may only be non-exclusive, may be granted only on grounds of public interest and with the approval of the Administrative Council of the Office.

Civil law claims, infringements and jurisdiction

Part Six of the basic Regulation (articles 94 to 107) deals with civil law claims, infringements and jurisdiction.

Civil law claims

Article 98 relates to claiming entitlement to a CPVR. If a Community plant variety right has been granted to a person who is not entitled to it under Article 11, the person entitled to it may, without prejudice to any other remedy which may be open to him under the laws of the Member States, claim to have the Community plant variety right transferred to him. Where a person is jointly entitled to a Community plant variety right, he may claim to be made a joint holder. Such claims may be invoked only within five years of publication of the grant of the Community plant variety right, except if the holder knew, at the time it was granted to or acquired by him, that he was not entitled to such rights or that entitlement thereto was not vested solely in him.

The foregoing applies *mutatis mutandis* to claiming entitlement to an application for a CPVR. Article 106 states that in such an action the decision on entitlement may be postponed until the Office has decided whether a variety may be protected in accordance with article 6. Similarly, where an action relates to entitlement to a CPVR in relation to which nullity or cancellation proceedings have been instituted pursuant to article 20 or 21 respectively, the decision on entitlement may be postponed until the Office has taken its decision.

Article 99 provides that the holder of an initial variety and the breeder of a variety essentially derived from the initial variety shall be entitled to obtain an acknowledgement of the identification of the varieties concerned as initial and essentially derived. The legal significance of this biological relationship is referred to above in the context of the scope of the CPVR.

Infringements

What constitutes infringement?

Article 94 prescribes the acts or omissions which constitute infringement of a CPVR. Infringement does not require any mental element (although see the heading “additional remedies” below).

Article 94(1)(a) provides that the holder of a CPVR may bring an action for an injunction or compensation, or both, against any person who, without being entitled to do so, effects one of the acts set out in article 13(2) in relation to the protected variety. The effect of article 13(2) as read with article 13(5) is that, in addition to acts effected in relation to “material” of the protected variety itself, acts effected in relation to essentially derived varieties, other indistinct varieties and hybrid varieties dependent on the protected variety for their production may also constitute infringements. Entitlement to effect the acts in article 13(2) may derive from the authorisation of the holder, from the farm saved seed derogation, from one of the limitations on the scope of the right or from a compulsory exploitation right granted by the Community Plant Variety Office.

NB: The holder of a CPVR may bring an action for infringement of his CPVR against a person enjoying contractual exploitation rights who contravenes a limitation or condition attached to those rights (article 27(2)).

Article 94(1)(b) and (c) lay down two other ways in which a CPVR may be infringed. These relate to the variety denomination which, pursuant to article 6, must be designated for the variety by the Community Plant Variety Office in connection with the grant of the right. The variety denomination is intended to serve as a kind of identity card for the protected variety, even after termination of the right.

Article 94(1)(b) provides that the holder of a CPVR may bring an action for an injunction or compensation, or both, against any person who omits the correct usage of a variety denomination as referred to in article 17(1) or who omits the relevant information as referred to in article 17(2). Article 17(1) states that any person who, within the territory of the Community, offers or disposes of to others for commercial purposes, variety constituents of a protected variety, or a variety covered by the provisions of Article 13 (5), must use the variety denomination designated for the variety. It is further provided that, where it is used in writing, the variety denomination shall be readily distinguishable and clearly legible. If a trade mark, trade name or similar indication is associated with the designated denomination, this denomination must be easily recognisable as such.

Article 17(2) states that any person who, within the territory of the Community, offers or disposes of to others for commercial purposes, any other material of the variety (such as harvested material or directly obtained products) need only inform of the denomination if that is required by other provisions in law or if a request is made by an authority, by the purchaser or by any other person having a legitimate interest.

Article 94(1)(c) provides that the holder of a CPVR may bring an action for an injunction or compensation, or both, against any person who, contrary to article 18(3), uses the variety denomination of a protected variety or a designation that may be confused with it. Article 18(3) states that, where a variety is protected by a CPVR, neither its designated denomination nor any designation which might be confused with it may be used within the territory of the European Community in connection with another variety (or material thereof) of the same, or a closely related, species.

Additional remedies

According to article 94(2), where the infringing party has acted intentionally or negligently, he shall be liable to compensate the holder of the CPVR for any further damage resulting from the act of infringement. In addition, where the party liable pursuant to article 94 has made any gain at the expense of the holder of the CPVR or a person enjoying exploitation rights, article 97(1) makes provision for restitution of the profits by the competent courts.

Under article 107, member States are charged with taking all appropriate measures to ensure that the same provisions are made applicable to penalise an infringement of a CPVR as apply in the matter of an infringement of a corresponding national right. Thus, in a member State where the destruction of infringing material is normally ordered by the court in relation to procedures relating to national plant variety rights, such destruction ought to be ordered in a case involving a CPVR brought in that jurisdiction.

Provisional protection

Article 95 provides that the holder of a CPVR may require reasonable compensation from any person who has, in the time between publication of the application for a CPVR and grant thereof, effected an act that he would be prohibited from performing subsequent thereto.

Limitation periods

Article 96 stipulates that claims pursuant to articles 94 and 95 shall be time barred after three years from the time at which the CPVR has finally been granted and the holder has knowledge of the act and of the identity of the party liable or, in the absence of such knowledge, after 30 years from the termination of the act concerned.

Rules of Procedure

Article 103 provides that, where jurisdiction lies with national courts pursuant to article 101 and 102 (see below), the rules of procedure of the relevant State governing the same type of action relating to corresponding national property rights shall apply without prejudice to articles 104 and 105.

Who may bring an action for infringement of a CPVR?

Article 104 provides that an action for infringement may be brought by the holder of the CPVR and also by any person enjoying exploitation rights except where expressly excluded by the holder (in the case of contractual exploitation rights) or by the Office (in the case of compulsory exploitation rights). Persons enjoying exploitation rights may alternatively intervene in an action brought by the holder of the CPVR for the purpose of claiming compensation for damage suffered.

Obligation to treat CPVR as valid

Article 105 requires a national court or other body hearing an action relating to a CPVR to treat the right as valid. This provision underlines the fact that only the Office is competent with regard to the nullification or cancellation of a CPVR.

Jurisdiction

Article 101(1) states that the Lugano Convention^(d) as well as the complementary provisions of that article and articles 102 to 106 shall apply to proceedings relating to actions in respect of the claims referred to in articles 94 to 100.

The legal process and the competent courts are those that operate under the laws of the State determined as follows –

- (a) the Member State, or another Contracting Party to the Lugano Convention, in which the defendant is domiciled or has his seat or, in the absence of such, has an establishment; or
- (b) if this condition is not met in any of the Member States or Contracting Parties to the Lugano Convention, the Member State in which the plaintiff is domiciled or has his seat or, in the absence of such, has an establishment; or
- (c) if this condition is also not met in any of the Member States, the Member States in which the seat of the Office is located (France).

In whichever of the above cases applies; the competent courts shall have jurisdiction in respect of infringements alleged to have been committed in any of the Member States.

By virtue of paragraph (3) of article 101, it is also possible to bring proceedings for infringement before the courts belonging to the member State where the infringement occurred. However, in such cases, the courts will have jurisdiction only in respect of infringements alleged to have been perpetrated in the territory of that member State.

Article 102(1) removes actions for claiming entitlement pursuant to article 98 from the ambit of paragraphs (3) and (4) of article 5 of the Lugano Convention. These paragraphs state that a person domiciled in a Contracting State may, in another Contracting State, be sued –

- in matters relating to tort, delict or quasi-delict in the courts for the place where the harmful event occurred; and
- as regards a civil claim for damages or restitution based on act giving rise to criminal proceedings, in the court seised of those proceedings, to the extent that that court has jurisdiction under its own law to entertain civil proceedings.

^(d) The Convention on Jurisdiction and the Enforcement of Judgements in Civil and Commercial matters signed by EC and EFTA member States in Lugano on 16 September 1998.

Article 102(2) applies articles 5(1), 17 and 18 of the Lugano Convention. Article 5(1) provides that a person domiciled in a Contracting State may be sued in matters relating to a contract in the courts (of another Contracting State) for the place of performance of the obligation in question; in matters relating to individual contracts of employment this place is that where the employee habitually carries out his work, or if the employee does not habitually carry out his work in any one country, the place of business through which he was engaged. Article 17 recognises that the parties in a legal relationship, one or more of whom must be domiciled in a Contracting State, may agree that the courts of a particular Contracting State shall have jurisdiction. Article 18 provides that a court of a Contracting State before which a defendant enters an appearance shall have jurisdiction unless the appearance was entered solely to contest the jurisdiction.

Article 102(3) refers to the provisions of the Lugano Convention dealing with the determination of domicile.

Rôle of the Office in infringement proceedings

Strictly speaking, proceedings for the enforcement of Community plant variety rights do not come within the sphere of operations of the Office. Parties wishing to pursue legal actions against the perpetrators of infringements should seek assistance from persons qualified to give legal advice in relation to the initiation of court proceedings in the appropriate territory. However, it is of course in the interests of the Office to do everything in its power to assist the holders of rights in bringing such proceedings and achieving a successful outcome.

As regards the procedure to be followed by a holder of Community rights who suspects foul play, the Office advises any potential plaintiff to obtain samples of the material forming the basis of the alleged infringement in the presence of suitably authorised officers (police, bailiffs or members of any competent national inspectorate).

The next step is to have those samples tested with a view to comparing them with samples of the protected variety. The Office itself does not maintain such samples but suggests that comparative testing be carried out at the Examination Office where the protected variety was originally tested. The Office is happy to help arrange this testing, although of course the testing is carried out on the basis of a private arrangement between the holder of the CPVR and the Examination Office.