SPANISH REGULATIONS ON THE PROTECTION OF PLANT VARIETIES

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1. Relationship between the ways in which plant variety rights are protected in the founding regulation and in Spanish legislation.

The Spanish law governing national plant variety rights is relatively recent, dating from 2000 (Law 3/2000 of 7 January 2000 regulating the protection of new varieties of plants), and establishes a system of protection which is in harmony with the legal system for Community plant varieties granted by the Community Plant Variety Office.

Thus the instruments protecting national plant variety rights are the same as those applied to protect Community plant variety rights. Administrative offences and penalties for failure to comply with particular provisions of the Law have also been regulated. Accordingly, the mechanisms for the protection of national plant variety rights are:

a) Actions which can be brought before the ordinary courts by the holders and, if appropriate the licensees, of plant variety rights in order to seek:

- the cessation of actions infringing their right,
- compensation for loss and damage suffered,
- the collection of all plant material obtained which is in the possession of any of those responsible and its destruction where this is essential,
- determination of ownership of the plant material mentioned in the previous paragraph, in which case its value will be incorporated into the compensation for loss and damage. If the value of the said products exceeds the compensation awarded, the holder of the right must compensate the guilty party for the overpayment,
- publication of the ruling at the expense of the guilty party,
- the adoption of measures necessary to prevent continuing infringement of their right.

With regard to compensation for loss and damage suffered, Law 3/2000 of 7 January 2000 creates an obligation for compensation in all circumstances when any act of production or marketing has been carried out without the permission of the holder, when a name which is the same as or similar to that
of a protected variety has been used, with likelihood of confusion, to designate a variety of the same species, or when use of the name of the protected variety has been omitted or has been changed. Provision is also made for compensation in other circumstances, whenever a plant variety right has been deliberately or negligently infringed. The compensation due will include loss arising or losses occasioned and loss of revenue, as well as compensation for loss of the variety’s value or for non-material damage as a consequence of the acts contrary to the law.

As with Community plant varieties, the holder of the right may be awarded compensation for acts contrary to that right committed between publication of the application for registration and its granting.

The time limit for the civil actions described above differs from that stipulated in the founding regulation (Council Regulation (EC) No 2100/1994 of 27 July 1994 on Community plant variety rights), in that actions may be brought within a period of five years from the time when they are actionable, which implies knowledge of the harmful act. In any event claims may only be made in respect of violations occurring within five years before the date on which the action may be brought.

No specific action is stipulated for claiming title to a plant variety by anyone demonstrating sufficient grounds for acquiring it, although provision is made for nullifying protection if the holder lacks lawful title.

b) Administrative offences:

A number of administrative offences arising from failure to comply with its provisions are specified in Law 3/2000, of 7 January 2000. This is a feature not found in the founding regulation. These offences are as follows:

- Very serious offences:
  - The transfer of plant material protected by a plant variety right which does not match the characteristics given in its official description.
  - Failure to comply with the conditions included in the exploitation right for a protected variety which affects the intrinsic qualities of the material or the circumstances giving rise to grant of the plant variety right.
  - The furnishing of false information which may be relevant in obtaining rights covered by this Law.
• Serious offences:
  - Actual or intended non-disclosure of relevant information in order to obtain rights covered by this Law.
  - Actions intended to make it difficult to monitor the activities regulated in this Law and observe the rules established therein for its application and supervision.
  - Refusal or unwillingness to furnish data or information required by the appropriate organisation or its agents in order to fulfil duties of information, processing, inspection and enforcement of the matters to which this Law relates.
  - The non-disclosure of information by organisations authorised to pack seeds, with regard to the conditions allowing farmers to benefit from the so called derogation of the right in their favour.
  - Failure to comply with the obligation to use the name assigned to the variety.

• Minor offences: any of the actions regarded as serious or very serious offences where there is no element of fraud, merely ordinary negligence.

Some of these offences will be concurrent with other types of action, such as action by the holder against a licensee who has failed to comply with the terms of the licence contract, or with a ruling nullifying the plant variety right on discovery that the variety does not meet the conditions necessary for its recognition.

Offences committed will be penalised with a fine which may range between:
  - EUR 4 207 and EUR 9 015 for very serious offences,
  - EUR 1 803 and EUR 4 207 for serious offences,
  - EUR 601 and EUR 1 803 for minor offences.

An order will be given to seize the plant material as well for very serious offences. The size of the fines will be determined in each case with regard to the existence of intent or multiple offences, the nature of the harm caused and recidivism in the perpetration of offences.
In compliance with Article 107 of the founding regulation, action may be taken in Spain against any of the offences described that affect a Community plant variety right, in accordance with Article 8.2 of the Regulation implementing Law 3/2000 of 7 January 2000, approved by Royal Decree 1261/2005 of 21 October 2005.


In addition to court orders which may be applied to bring to an end acts contrary to plant variety rights, Spanish substantive and procedural law includes a number of actions which can be brought before, during and after a ruling on the infringement of a plant variety right and which strengthen its position in our law. Recently, Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights was transposed into Spanish law, and this has strengthened in particular the procedural instruments for actions against the infringement of intellectual and industrial property rights, which includes plant variety rights.


Thus the actions which may be brought before, during or after a civil ruling on the infringement of plant variety rights in Spain are:

a) Preliminary proceedings: this is a court action prior to the start of proceedings intended as preparation therefor through the acquisition of data and
information which the future plaintiff will need in order to defend his rights in law.

Now that Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 has been transposed into Spanish law, when an action for infringement of an intellectual or industrial property right is brought, the party alleged to have infringed the right, those in possession of goods which might have infringed those rights or anyone who has been involved in the process of manufacturing or distributing those goods may be asked to provide information on the origin and distribution networks of the goods that infringe the right. Likewise, they may be asked to provide the plaintiff with banking, financial or commercial documents relating to the alleged infringement of the right.

The party applying for the preliminary proceedings may be obliged to post a bond for the amount of the costs and damages which may be caused to the parties involved in them. If the party required to provide information or exhibit documents refuses to do so, the judge may order a search of the place where it is suspected that these documents are present or being held.

b) Means for securing evidence: these measures are adopted when there are grounds for believing that if they are not implemented it may become impossible to obtain evidence in the future. In this respect Law 1/2000 of 7 January 2000 has been amended to provide details of what these measures might comprise when intellectual or industrial property rights are injured, and to regulate the circumstances in which they may be adopted without hearing the other party.

With regard to the measures which may be adopted, these may comprise detailed description of the goods in dispute, with or without sampling, their effective seizure, and seizure of materials or instruments used in the production of the goods or documents relating thereto. The judge may nevertheless decide, in place of these measures, to have the defendant post a bond making himself responsible for the evidence the judge is seeking to secure.

Their adoption prior to the start of proceedings places an obligation upon the applicant to submit his application within a period of twenty days. If this is not done the measures adopted will be lifted and the applicant will be declared liable for loss and damage incurred by third parties.

As a general rule, these measures are adopted with the other party present at the hearing. Nevertheless, to avoid irreparable damage to the
applicant’s rights or the destruction of evidence they may be adopted without hearing the party affected, and the party obliged to suffer these measures may file notice of opposition.

c) **Evidence and precautionary measures**: Law 1/2000 of 7 January 2000 on civil procedure introduces the possibility of banking, financial, commercial or customs documents which are in the defendant’s possession, and which are required to demonstrate infringement of the right in question, being produced as evidence in proceedings for the infringement of intellectual and industrial property rights. The application must be accompanied by prima-facie evidence comprising a sample of the goods in respect of which the infringement occurred.

Law 19/2006 of 5 June 2006 does not specify the nature of the precautionary measures which may be adopted to ensure that a ruling is enforced nor the possibility that they may be adopted prior to the start of proceedings in cases of urgency or need, because in these matters Spanish civil procedural law already conforms to Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004. Only Law 1/2000 of 7 January 2000 has been amended to permit their adoption without the party being heard in those cases where the purpose of the precautionary measure might be jeopardised by a hearing.

Nor has it been necessary to regulate the penalty payments that may be imposed in the event of failure to comply with an order given, because this enforcement measure is already provided for in Law 1/2000 of 7 January 2000.

d) **Enforceable claims and compensation for loss and damages**: these are substantive matters which are covered by corresponding legislation in the field. In the case of plant varieties, Law 3/2000 of 7 January 2000 already made provision for the possibility of ordering publication of the ruling at the expense of the guilty party, as well as other “corrective measures” regulated in Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004, given that the Directive did not introduce anything new in comparison with Law 3/2000 of 7 January 2000.

Other novel features in the Directive transposed into Law 11/1986 of 20 March 1986 on patents also apply to plant variety rights, such as the possibility of bringing actions for infringement of a right against intermediaries also whose services are used by a third party to infringe the patent right.
Likewise, the provisions regarding the method of calculating compensation for loss and damages, if this claimed, apply to plant variety rights. Investigation costs may be included in the costs incurred by the plaintiff in order to obtain reasonable evidence that the unlawful act has been committed. At the plaintiff's request compensation may be based on determination of earnings which the plaintiff has ceased to receive, those obtained by the offender and an estimate of the non-material damages suffered or else, more automatically, on the sum which the offender should have paid for an exploitation licence during the period in which infringement of the right took place.

In our opinion this set of legal actions and procedural measures regulated to provide intellectual and industrial property rights with adequate protection should also apply both to national plant variety rights and to the corresponding Community rights pursuant to Article 103 of the founding regulation which declares that where national courts have jurisdiction over a possible infringement of a Community plant variety right the rules of procedure that shall apply are those which would apply to infringement of a national right.

3. Offences in respect of plant variety rights.

Since October 2004, when Constitutional Law 15/2003 of 25 November 2003 entered into force, amending Constitutional Law 10/1995 of 23 November 1995 on the criminal code, the production of plant material, its reproduction, its packaging with a view to production or reproduction, the offer for sale, sale or marketing in any other way of plant material, the exporting, importing or possession for any of the purposes mentioned of plant material for the reproduction or multiplication of a protected plant variety are all regarded as industrial property offences in Spain provided that the following factors all apply:

- the action is carried out for agricultural or commercial purposes,
- the holder of the plant variety right has not given his consent,
- the offender is aware that the plant variety is registered.

The penalty for this offence comprises a term of imprisonment of between six months and two years and a 12 to 24 months’ fine. This is the same as the

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1 In Spanish criminal law, fines are imposed through a system of fine-days. The Criminal Code fixes a daily quota of between EUR 2 (minimum) and EUR 400 (maximum), which the judge will specify bearing in mind the economic situation of the offender, as determined from his assets, income, family obligations and commitments, and other personal circumstances.
penalty imposed for any infringement of intellectual or industrial property rights, which since the reform in 2003 is also officially subject to prosecution.

All these offences, including those committed against plant variety rights, may be subject to an enhanced penalty, comprising a term of imprisonment of between one and four years, a 12 to 24 months’ fine and a special prohibition on the exercise of a profession related to the offence in question for a period of two to five years if any of the following circumstances should apply:

- the benefit obtained has special economic significance,

- the facts are particularly serious, given the value of the objects unlawfully produced or the special importance of the loss caused,

- the offender belongs to an organisation or association, including one of a temporary nature, the purpose of which is to engage in activities infringing industrial property rights,

- persons under 18 years old are used to commit these offences.

Spanish criminal law is to a large extent consistent with the proposal for a Directive on criminal penalties for the infringement of intellectual property rights presented by the European Commission in April 2006, which envisages the imposition of terms of imprisonment of up to four years if the offence is committed by an organisation and fines of up to EUR 300 000 if the act compromises public health or safety. According to the Spanish criminal code, persons who incite the commission of offences and misdemeanours or who cooperate in an act necessary for their commission, or with accomplices thereto, are also responsible for them, and this is also established by the proposed Directive.

Most of the corrective measures provided for in the proposed Directive, such as confiscation of the assets in respect of which the infringement occurs or the gain acquired, or closure of the company, are regulated as consequences accessory to criminal liability. In addition to there should be a prohibition on the acquisition of public subsidies, and publication of the ruling, where appropriate.

Furthermore, all the measures applicable to civil proceedings considered above can be transferred to criminal proceedings, given the supplementary nature of Law 1/2000 of 7 January 2000 on civil procedure with regard to procedural rules in other areas of law. Other specific measures in criminal proceedings, such as temporary imprisonment, may also be adopted.
4. Actions by the customs authorities.

The information which we have here concerns a multinational company which has plant variety rights registered in different countries. This company developed a transgenic seed used in the cultivation of soya in South America. Argentinian farmers do not have an export licence for the soya produced with this seed. Because of this the company decided to make use of the powers laid down in 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.

Thus the customs authorities in Spain and other European countries in which their plant variety right for this variety was registered were requested to take samples from particular shipments of soya originating in Argentina in order to determine whether these contained soya produced using protected seeds. Once it had been proven that the imported soya belonged to that variety and the shipments had been confiscated by customs, the company exercised the right provided for in Article 14 of Council Regulation (EC) No 1383/2003 of 22 July 2003 to release the goods held against the provision of a bond, with the prior agreement of the importer, in the form of a banker’s guarantee, to cover loss caused to the company owning the plant variety right by the infringement of that right. Exercise of this right presupposes that application has been made to the court to obtain a declaratory judgment on whether an offence has been committed.

5. Court jurisdiction and dispute proceedings over plant variety rights.

In Spain there is no specialist jurisdictional body in either the criminal or civil law system for hearing proceedings relating to plant variety rights.

In the criminal law system, the magistrates courts (which institute proceedings) and the criminal courts (which judge and sentence) in each province have jurisdiction, without prejudice to the jurisdiction of the Provincial Courts to deal with appeals against decisions made by the above. The Supreme Court decides upon cassation appeals against decisions made by the Provincial Courts.

In the civil law system, since the creation of the commercial courts by Constitutional Law 8/2003 of 9 July 2003 on competition reform, amending Constitutional Law 6/1985 of 1 July 1985 on the judiciary, these specialist courts have become responsible for hearing court cases on all infringements of intellectual and industrial property rights. These courts are based in the provincial capitals and have jurisdiction over the entire province. The Provincial Courts hear
appeals against rulings by the mercantile courts, and the Supreme Court hears cassation appeals against rulings by the Provincial Courts.

There have not been a great many cases involving plant variety rights, and even less involving the alleged infringement of such rights. Nevertheless, two recent examples of rulings given in the civil law system and the criminal law system concerning the infringement of plant variety rights may be mentioned.

The first is a ruling by the Civil Division of the Supreme Court on 13 October 2003 which decided in a cassation appeal against a ruling given by the Provincial Court of Salamanca rejecting the right to legal protection of a plant variety right recorded in the Official Register of Protected Varieties in Spain. This ruling was given in accordance with Law 12/1975 of 12 March 1975 on the Protection of Plant Varieties – subsequently repealed by Law 3/2000 of 7 January 2000 – because this was the law in force when the harmful acts occurred.

The rulings of the Court of First Instance and the Provincial Court rejected the claims of the plaintiffs – the holder, a French company, and the exclusive licensee in Spain of the plant variety right for a variety of barley – because the the seeds of this variety were traded between a cooperative and its members, and because the seeds were not certified. The Supreme Court rejected both arguments and in particular the argument that transactions between a cooperative and its members could take refuge in an exception to the plant variety right for farmers, declaring that the right had been infringed and ordering that the defendant cooperatives:

- cease the production and marketing of reproductive elements of the protected barley variety,
- collect and destroy all plant material affected by infringement of the right for that variety which was in the defendants' possession,
- compensate each of the plaintiffs for loss and damages incurred. The criterion for assessing the earnings lost was fixed as the cost of the licences which the defendants should have obtained in order to lawfully use that plant variety. No compensation was given for non-material damages, because the Supreme Court understood that the variety had not suffered any loss of value on the market as a result of the unlawful acts, as its (lawful) sales had not fallen in number.
- publish the ruling in the Boletín del Registro Oficial de Variedades Protegidas [Bulletin of the Official Register of Protected Varieties], at their own expense.
The second ruling was given on appeal by the Provincial Court of Soria on 20 April 2006 in a criminal case. The plaintiffs, a French company, the holder of a plant variety right for barley, and their sole licensee in Spain had brought an action against a private individual who had put an advertisement in the local paper for the sale of 20,000 kilos of seed of the protected variety. The variety in question only benefited from Community protection, and not protection under Law 3/2000 of 7 January 2000. The defendant did not manage to sell any quantity of seed of that variety.

The Provincial Court of Soria confirmed the ruling given at first instance and found the defendant not guilty for two reasons:

- because criminal law requires the party involved to be aware that the variety is registered, and there was doubt concerning this. It took the view in this respect that the Boletín del Registro Oficial de Variedades Protegidas published by the Ministry of Agriculture, Fisheries and Food in Spain did not publish the registration of this barley variety.

- because the variety was not registered in the Official Register of Protected Varieties in Spain, its registration in the Community Register being insufficient. This decision is very surprising, because it takes no account of the effectiveness in Spain of the varieties protected under the founding regulation and the direct application of this regulation in our country. If the regulation had been applied, the decision would have had to allow the appeal, given that knowledge could have been acquired from the Register of Community Plant Variety Rights and the periodical publications produced by the Community Plant Variety Office.

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