

4 December 2017

Mr Brett Massey
Assistant Director – Domestic Policy
IP Australia
PO Box 200
WODEN ACT 2606

By email: consultation@ipaaustralia.gov.au

Dear Mr Massey

RE: PLANT BREEDER'S RIGHTS ACT REFORM

As the national peak industry organisation representing the agricultural chemical and plant biotechnology sector in Australia, CropLife Australia (CropLife) welcomes the opportunity to provide comments to IP Australia on the proposed Plant Breeder's Rights Act reform.

1. Essentially Derived Varieties

Currently, if a plant variety is bred from an earlier PBR-protected variety with only minor changes, the owner of the earlier variety can apply to have the later variety declared an essentially derived variety (EDV). If the application is successful, both owners have a stake in the second variety. The change seeks to close a loophole where an EDV cannot be declared if no PBR application has been made for the later variety.

CropLife supports this proposal because UPOV does not specify whether or not the EDV needs to be protected. This proposal brings the Australian PBR law more in line with the UPOV 1991 Convention. It should not matter whether the EDV is protected or not. It is likely that the EDV is very similar to the Initial Variety and could easily be considered as a 'me-too' variety, which in most cases is not filed for protection. This proposal is closing that loophole.

2. Unjustified threats of infringement

An unjustified threat of infringement would be where a PBR owner threatens to sue someone without justification. The change seeks to deter these threats by making the PBR owner able to be sued for an unjustified threat. Also, if the threat is particularly bad (blatant or flagrant), the victim of the threat can be awarded extra compensation (additional damages).

CropLife supports this proposal as in the event whereby a PBR owner threatens to sue a putative infringer without justification, the court can award damages to the threatened party. The potential difficulty in this proposal lies in the amount and type of proof that is needed to show that a 'threat' is justified. Speculating about the type of proof that could accompany a threat, could be breeder's books, or other documentation that shows that the putative infringer did indeed use the plaintiff's germplasm in a way that could lead to infringement and or an EDV. This proposal is not drafted to protect the PBR owner, but merely to prevent unjustified threats by such PBR-owners.



3. Further powers to award damages under the PBR Act

The change seeks to deter infringement by allowing a PBR owner to be awarded extra compensation (additional damages) where the infringement is considered particularly bad (blatant or flagrant). This is already the case for patents, designs and trademarks.

This proposal is specifically targeting cases when infringement has been proven and is considered blatant, eg. when the infringer was warned by the PBR owner, but the infringer continues to infringe the right. This revision of the PBR law brings it more in line with patent law and should more effectively deter potential infringers. This is a good proposal as it appropriately strengthens the position of the PBR owner.

There needs to be criteria for 'unjustified threat' and for 'blatant threat' and 'blatant infringement'. If these are not well defined and not well separated, then it could result in legal uncertainty, and increased costs of legal action because parties will always defer to mutual accusations of blatant infringement and blatant claim.

CropLife recommends starting with a narrow scope so that only an 'extremely blatant threat' could lead to compensation, and only a 'very flagrant infringement' could lead to increased damage payments.

4. Exclusive licensees in the PBR Act

A PBR owner may wish to license all of their rights in the PBR to another person (eg a distributor), known as an exclusive licensee. Despite the exclusive licensee having sole rights to commercialise the variety, the exclusive licensee currently cannot sue infringers themselves. Currently the PBR owner needs to sue the infringer, which can add delay and expense for the exclusive licensee. The change seeks to remove this potential delay and expense by allowing the exclusive licensee to sue infringers themselves. This is already the case for patents and trademarks.

CropLife supports the proposal to provide the exclusive licensee with the right to sue infringers, because it is currently enshrined in Australian PBR law that only the grantee of the PBR certificate can sue infringers. CropLife does not support the inclusion of an 'automatic' right, but recommends it to be made conditional upon prior written consent by the PBR owner. Such an approach facilitates the opportunity for both parties (the grantee and exclusive licensee) to negotiate on the right to sue infringers. Through a negotiation process, the PBR owner and the licensee can further refine the modalities of the right to sue and management of actual infringement cases in the license agreement. This will provide an appropriate balance between the rights of the PBR grantee and the licensee to sue infringers.

5. Additional comment on 'Public Access to Plant Varieties

A section in the Australian PBR Act that has been a concern for the Australian plant science industry is section 19 on 'Reasonable public access to plant varieties covered by PBR'. This article specifies that any party can request seeds of a protected variety, including of parent lines. This is exactly the reason why so very few applications for parent lines are filed in Australia.

Although section 19(11) specifies that, "This section does not apply in relation to a plant variety in respect of which the Secretary certifies, in writing, at the time of the grant of PBR, that he or she is satisfied that plants of that variety have no direct use as a consumer product", IP Australia has historically been reluctant to provide a certificate as stated in section 19(11), and this has never been tested in court. CropLife understands that recently IP Australia has indeed issued a certificate in respect of this clause.

CropLife recommends that IP Australia starts working on a template for applicants to complete, invoking this exception. Once this procedure has been made easier, seed companies can feel more confident filing for parent lines in Australia.

This is very important for PBR on parental lines and it is easy to change in the current PBR Act reform process. Parental lines should simply not be available to subsequent users, certainly not during the PBR protection period.

CropLife notes there is currently public discussion in the US about access to seed samples from expired PBR. Australia could benefit from the US experience about best practices on GM material, and/or on material with contractual obligations.



6. Conclusion

CropLife supports the steps within the current proposed reform, but believes more is needed to create viable and effective protection for plant breeders, namely:

- Essentially derived varieties have been clarified and will provide a path forward on this issue;
- Allowing a PBR owner to be awarded extra compensation in blatant infringement situations creates a larger deterrent; and
- Allowing exclusive licensees to sue for infringement under the PBR Act removes some of the delay and paperwork for exclusive licensees from pursuing their rights.

These fixes are appropriate and needed (and easily done), and streamline some processes at an administrative level.

In its final report on the review of enforcement of Plant Breeder's Rights released in January 2010, the Advisory Council on Intellectual (ACIP) agreed that there were many barriers to the effective enforcement of PBR and that these discouraged the development of new plant varieties. ACIP recommended several legislative and procedural changes.

One of the most significant recommendations was the introduction of an Information Notice System that enables PBR owners to obtain information from alleged infringers on the source of plant material. The introduction of a UK-style Information Notice System would mean PBR owners may be able to require a notice from growers suspected of infringing PBR which states the source of specific plant material and products. A failure to comply within a set time could be counted against the grower in any subsequent court action.

In the Australian Government response to ACIP Final Report released in June 2011, it accepted this recommendation pending a feasibility study. CropLife recommends that IP Australia prioritise the implementation of this recommendation.

Please do not hesitate to contact CropLife's Director of Crop Biotechnology Policy, Mr Osman Mewett (osman.mewett@croplife.org.au; 02 6273 2733) should you require any additional information on, or wish to discuss any aspect of this submission.

Yours sincerely

(SIGNED)

Matthew Cossey
Chief Executive Officer