
CONVENTION FOR THE PROTECTION OF PLANTS

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Mr. HELMS, from the Committee on Foreign Relations,
submitted the following

REPORT

[To accompany Treaty Doc. 104-17]

The Committee on Foreign Relations, to which was referred The International Convention for the Protection of New Varieties of Plants of December 2, 1961, as revised at Geneva on November 10, 1972, on October 23, 1978, and on March 19, 1991, and signed by the United States on October 25, 1991, having considered the same, reports favorably thereon with one reservation, two declarations, and one proviso, and recommends that the Senate give its advice and consent to the ratification thereof as set forth in this report and the accompanying resolution of ratification.

I. PURPOSE

The principal purpose of the proposed treaty is to enhance the protection afforded to breeders of new plant varieties not only in the United States and other member states, but also in states which may join in the future where patent protection for plant varieties is not now obtainable, or in present and future member states where protection of plant breeders' rights is either weak or unavailable for a significant number of plant species and genera.

II. BACKGROUND

The proposed treaty was signed by the United States on October 25, 1991, but was not submitted to the Senate for its advice and consent to ratification until September 5, 1995. Currently, the United States is a party to the 1978 International Convention for the Protection of New Varieties of Plants, which was concluded in October 23, 1978, and entered into force on November 8, 1981. The 1991 Treaty would expand the protections provided by the 1978 Treaty.

III. SUMMARY

A. GENERAL

The International Union for the Protection of New Varieties of Plants (UPOV) was created by the original 1961 International Convention for the Protection of New Varieties of Plants to promote the protection of the rights of plant breeders in new plant varieties. Subsequently, several member nations enacted laws for the same purpose. In the United States, the Plant Variety Protection Act (PVPA) was enacted particularly in order to promote the development of new varieties of agricultural grain crops, without which the U.S. agriculture business would be at a disadvantage compared to its counterpart in other countries with new plant variety protection policies.

In the United States there is a legal framework in place to provide these protections for plants. There are basically three types of plant protection possible under U.S. federal law:

- the standard utility patent available under the Patent Act of 1952 (codified as amended at 35 U.S.C. §§ 101 et seq.) which is administered by the Patent and Trademark Office in the U.S. Department of Commerce,
- plant patents available under the Plant Patent Act of 1930 (codified as amended under 35 U.S.C. § 161 et seq.), which is administered by the Patent and Trademark Office in the U.S. Department of Commerce; and
- certificates of protection available under the Plant Variety Protection Act of 1970 (PVPA, codified as amended at 7 U.S.C. § 2401 et seq.), which is administered by the Plant Variety Protection Office in the U.S. Department of Agriculture.

In addition, protection may be available under State trade secrets laws. Until relatively recently, utility patents were not available for plants because they were considered products of nature; however, a U.S. Supreme Court decision changed this assumption and made possible the granting of utility patents for plants. (*Diamond v. Chakrabarty*, 447 U.S. 303 (1980)).

Currently, the UPOV has 35 members who have ratified the Convention through either the 1972 or 1978 amendments, that is, the Act of 1961/1972 or the Act of 1978. The proposed 1991 Treaty has not yet entered into force. The 1991 Treaty was signed by sixteen nations, including the United States, and has been ratified, accepted or approved by four nations. In 1994, the United States became the first nation to enact implementing legislation which brought U.S. law into compliance with the 1991 amendments.

B. KEY PROVISIONS

The key provisions of the 1991 UPOV Convention include:

Article 1—Defining Breeder and Variety. In addition to these major changes, there are other new features in the Act of 1991. A new definitions section is provided in Article 1, including most significantly, definitions for “breeder” and “variety,” with the latter making the distinction between what constitutes a variety *per se* and a variety which satisfies the conditions for protection under the Convention. The Act of 1991 eliminates the provision

under Article 2 of the Act of 1978 which permits member States to limit the application of the Convention within a genus or species to varieties with a particular manner of reproduction or multiplication, or a certain end-use.

Article 2—Flexibility in Choice of Form. The proposed treaty eliminates the restriction under Article 2 of the 1978 Treaty, which prohibited a member State from providing more than one form of protection for the same genus or species where patent protection as well as breeder’s rights are both available in the member State. Thus, under the Act of 1991, a member State has the flexibility and freedom of providing either or both forms of plant protection for the same genus or species.

Article 3—Extension of Protection for Genera and Species. The scope of the genera and species protected under the UPOV is extended to include all plant genera and species, within five years after the date upon which a member State becomes bound by the Act of 1991 and within ten years after a new member joins the UPOV under the Act of 1991 (Article 3). Under the Act of 1978, member States of the UPOV were only required to extend protection to at least twenty-four genera or species within eight years of becoming bound by the Act of 1978.

Articles 5-9—Defining Conditions for Protection. Articles 5 to 9 essentially rewrite and reorganize the provisions in Article 6 of the 1978 Treaty defining these conditions for protection so that the provisions are clearer. Article 5 states concisely at the beginning that the conditions are that the variety be new, distinct, uniform and stable. Articles 6, 7, 8, and 9 elaborate on each of those conditions respectively. With regard to the novelty requirement in Article 6, the proposed treaty makes mandatory the optional one-year grace period in the 1978 Treaty, providing that a variety must not have been sold or marketed in a member State of the UPOV with the consent of the breeder more than one year prior to the date of filing for protection in that State. With respect to distinctiveness, the requirement in Article 6(1)(a) of the 1978 Treaty, that a variety must be “distinguishable by one or more important characteristics from any other variety” whose existence is common knowledge, is eliminated because of the ambiguity concerning whether “important” is synonymous with “economically significant.”

Articles 11 and 13—Changes to Right of Priority. There are several changes affecting the right of priority. Article 11 of the proposed treaty continues the right of priority for an application in one Contracting Party based on an application for protection in another Contracting Party made twelve months before the former application. This article differs from Article 12 of the 1978 Treaty by specifying that a claim of priority can only be made in an application for a breeder’s right. However, the earlier application on which the claim of priority is based does not have to be an application for a certificate of a breeder’s right, but may be an application for a patent or other type of variety protection available in that Contracting Party.

The 1991 Treaty further permits a Contracting Party to require that, within three months of the filing of the subsequent application, the breeder must submit samples proving that the variety

claimed in the earlier and the subsequent applications is one and the same, in addition to requiring certified copies of the earlier application. The 1978 Treaty required the submission of certified copies but did not require that samples be submitted within three months.

The 1978 Treaty allowed the breeder a period of four years after the expiration of the period of priority in which to submit additional documents and material required by the laws of a Contracting Party, except where the earlier application is rejected or withdrawn, in which case, the Contracting Party may require submission of additional materials and documents within an “adequate” period. The proposed treaty reduces the period to two years, and permits a Contracting Party to require the submission of additional documents and materials within an “appropriate” period where the earlier application has been rejected or withdrawn.

Article 13 of the proposed treaty makes mandatory the provisional protection for plant varieties in the period between the filing or publication of an application and the grant of a breeder’s right. Article 7(3) of the 1978 Treaty merely made such protection optional. However, the proposed treaty permits Contracting Parties to provide such protection only with respect to infringers whom the breeder notified of the application for breeder’s rights.

Articles 14–19—Extension of Scope of Property Rights. The scope of property rights granted to plant breeders in protected varieties is extended, with appropriate exceptions and limitations (Articles 14–19). Under the 1978 Treaty, activities which currently require the prior authorization of the breeder included the production for purposes of commercial marketing, the offering for sale and the marketing of propagating material of a protected variety. Under the proposed treaty, additional activities requiring the permission of the breeder include exporting, importing, conditioning for the purpose of propagation, and stocking for any of the aforementioned activities of the propagating material.

Article 14—Extended Breeder Rights for Harvested Material. Subject to certain exceptions, the permission of the breeder is also required for activities mentioned in the previous paragraph with respect to harvested material obtained through the unauthorized use of the propagating material of a protected variety and, at the option of each Contracting Party, may also be required for these activities with respect to the products of such harvested material (Article 14(2)(3)).

Article 14—Inclusion of “Essentially Derived Varieties”. Breeders’ rights are expanded so that a protected variety is deemed to include “essentially derived varieties” (Article 14(5)). This ends the undermining and dilution of breeders’ rights under the 1978 Treaty by the practice of using protected varieties to develop new varieties, which share certain essential characteristics with the protected varieties from which they were derived and yet have been considered distinct from the latter and even eligible for separate protection, because of superficial cosmetic changes that distinguish them from the latter.

Article 15—Recognition of “Farmers’ Privilege”. The exception to breeders’ rights commonly referred to as the “farmers’ privi-

lege” or “crop exemption” is explicitly recognized but also partially eliminated. Under Article 15(2), Contracting Parties to the proposed treaty are permitted to make an optional restriction to breeders’ rights to permit farmers to use “saved seed” from the harvest of crops grown on their holdings from a protected variety in order to plant a new crop on their own holdings. However, contracting Parties may not permit farmers to make “brown bag” sales of “saved seed” to other farmers. The proposed treaty did not explicitly recognize the “farmers’ privilege,” merely providing under Article 9(1) that the breeder’s rights may not be restricted other than for reasons of public interest (and requiring under Article 9(2) that equitable remuneration be ensured for the breeder).

Article 19—Extension of Period of Protection. The period of protection is lengthened from not less than fifteen years from the date of the grant of the breeder’s right to not less than twenty years, except for trees and vines, for which the period of protection is lengthened from not less than eighteen years to not less than twenty-five years.

Article 26—Role of Intergovernmental Organizations. The Act of 1991 makes changes to the organization of the UPOV as well as to the substantive requirements concerning breeder’s rights. The most significant change for the UPOV is the recognition of intergovernmental organizations. Article 34 permits such organization to become parties to the proposed treaty. Consistent with this provision, the voting procedures in Article 26 (6) provide that any Contracting Party that is an intergovernmental organization may exercise the rights to vote of its member States that are members of the UPOV when all such member States do not exercise their rights to vote in the Council. Conversely, if any such member States exercise their rights to vote in the Council, the intergovernmental organization may not exercise any right to vote.

IV. ENTRY INTO FORCE AND TERMINATION

A. ENTRY INTO FORCE

The proposed treaty enters into force one month after five states parties have deposited their instrument of ratification, provided that at least three of the parties are also party to the 1961/1972 or the 1978 Treaties. After the treaty has entered into force, the obligations shall apply to a Party one month after the deposit of the instrument of ratification. Upon the entry into force of the proposed treaty, accession to the 1978 Treaty will no longer be possible, with certain exceptions applicable only if the 1991 Act had entered into force before December 31, 1995. The proposed treaty entered into force on April 24, 1998.

B. TERMINATION

A Party may terminate its obligations under the treaty by notifying the Secretary General of the International Union for the Protection of New Varieties of Plants. Obligations shall terminate at the end of the calendar year following the year in which notification was received. Termination of the 1991 Treaty also has the effect of terminating earlier UPOV Treaties.

V. COMMITTEE ACTION

The Committee on Foreign Relations held a public hearing on the proposed treaty on Wednesday, May 13, 1998. The hearing was chaired by Senator Hagel. The Committee considered the proposed treaty on Tuesday, May 19, 1998, and ordered it favorably reported by voice vote, with the recommendation that the Senate give its advice and consent to the ratification of the proposed treaty subject to one reservation, two declarations, and one proviso.

VI. COMMITTEE COMMENTS

The Committee on Foreign Relations recommends favorably the proposed treaty. On balance, the Committee believes that the proposed treaty is in the interest of the United States and urges the Senate to act promptly to give its advice and consent to ratification. Several issues did arise in the course of the Committee's consideration of the treaty, and the Committee believes that the following comments may be useful to Senate in its consideration of the proposed treaty and to the State Department, who share jurisdiction over the treaty.

A. MONITORING AND ENFORCEMENT

The United States exports over \$6 billion in seed each year, largely in the form of cereals, such as corn, wheat, oats, and other important food plants such as potatoes developed by agricultural and biotechnology companies. Under this treaty UPOV member countries agree to protect the intellectual property represented in these varieties by providing laws that prohibit the unauthorized use or reproduction of plant varieties.

In non-UPOV countries, farmers freely sell harvested grain as seed to others, in effect competing with plant breeders by taking unfair and free advantage of their efforts in developing new plant varieties. This seriously erodes the ability of firms to recoup their investment in research and development of new advanced strains. This has a chilling effect on the prospects for developing advanced varieties and on research and development of new strains for local markets. Currently, many non-UPOV countries do not have access to the latest, most productive U.S. products.

Enforcement of the obligations created under this treaty, however, will rest on the will of each Party to the Treaty to enact and enforce tough laws. In a question for the record, the Administration stated:

Private parties may seek all remedies available through the domestic legal system of a country not in compliance with its UPOV commitments. Sovereign entities may be able to seek implementation of a WTO member's TRIPs obligations under Article 27 to provide "protection of plant varieties either by patents or by an effective *sui generis* system or by any combination thereof" through the WTO Dispute Settlement Mechanism.

The Committee therefore cautions that this agreement by itself should not be viewed as a guarantor of U.S. interests in protecting the rights to new plant varieties. Parties to the treaty must fully

carry out their obligations. Although the need for protection of intellectual property represented in these seed varieties cannot be understated, nor should the willingness of some countries to *fully* implement and enforce the treaty obligations be overstated. The Committee expects that the Executive will continue to monitor the implementation and enforcement of the treaty commitments and regularly inform the Committee of the results of its monitoring. The Committee also encourages U.S. industry to regularly inform the Committee of their experiences with compliance under this treaty.

B. RESERVATION FOR “ASEXUALLY REPRODUCED VARIETIES”

In his letter of transmittal accompanying the proposed treaty, the President requested one reservation to the treaty under Article 35(2), which allows parties to the existing Convention to retain their present patent systems for certain varieties of plants. The reservation makes clear that the United States will continue to provide protection for “asexually reproduced varieties” through an industrial property title—not a breeder’s certificate as called for in the treaty.

Under U.S. law a standard utility plant patent is available under the Patent Act of 1952 (codified as amended at 35 U.S.C. §§ 161 et seq.) for such varieties. Such patents are administered by the Patent and Trademark Office in the U.S. Department of Commerce. No change in this law will be required if the United States become party to the proposed treaty. A similar but less comprehensive reservation is already contained in Article 37 of the 1978 UPOV Convention.

C. LIMITED RESERVATIONS CLAUSES

Article 35 of the treaty limits the reservations which a State may take to the treaty. The State Department, in response to a question for the record, had this to say about its agreement to restrict reservations under the treaty:

The United States is the world’s largest exporter of seed grains and other agricultural exports that would qualify for protection under the UPOV Convention. Negotiators felt that the revisions deepening and strengthening protection that are incorporated in the 1991 UPOV Convention were advantageous to the United States. As such, a “no reservations” clause secures the protection in these revisions for the United States by prohibiting UPOV Convention members from implementing only those revisions that were felt to be that member’s economic interests.

While the Committee recognizes that an abuse of reservations can be detrimental to enforcement of the conditions agreed to during a treaty negotiation, the Committee continues to be concerned by the increasingly common practice of agreeing to such “no reservations” clauses, which impinge upon the Senate’s prerogatives. The Committee questions whether there is any substantive evidence that other Parties would place numerous or burdensome reservations on the treaty so as to undermine U.S. interests.

The Committee's recommended Resolution of Ratification contains a declaration that it is the Sense of the Senate that such a "limited reservations" provision can inhibit the Senate in its Constitutional obligation of providing advice and consent, and approval of this treaty should not be read as a precedent for approval of other treaties containing such a provision.

Although the Committee has determined that this treaty is beneficial to the interests of the United States and should be approved notwithstanding Article 35, the Committee will continue to object to the inclusion of such provisions in U.S. treaties. The Committee repeatedly has expressed in report language its concern that such "no reservations" provisions are problematic to Senate ratification, yet there has been no apparent decline in the inclusion of such provisions in treaties signed by the United States.

D. DELAY IN SUBMITTAL OF TREATY TO THE SENATE

The Committee notes that the President did not submit the UPOV Convention to the Senate for its advice and consent until September 5, 1995, nearly *four years* after the United States signed the Agreement. This delay is inexplicable, particularly given that the Administration sought legislation to bring U.S. law into compliance with the treaty two years prior to submitting the treaty for the Senate's advice and consent to ratification. This apparently casual attitude to the advice and consent process is troubling.

In its response to a question for the record regarding the reason for the delay, the State Department replied:

The delay in submission of the treaty package was directly linked to uncertainty as to whether implementing legislation would be passed by the Congress. Certain provisions of the implementing legislation—notably, language prohibiting farmers from selling protected seeds—were controversial at the time. The 1995 Supreme Court decision in *Asgrow Seed Co. v. Winterboer* laid to rest any uncertainty in this area. Implementing legislation entered into effect in April, 1995, and the treaty package was transmitted shortly afterwards.

The Executive appears to misunderstand that its request for legislation to implement treaties prior to seeking the Senate's advice and consent prejudices the will of the Senate in giving advice and consent to ratification.

As a general matter, the Committee wishes to express its concern with this recent trend to delay submission of treaties to the Senate for many years, even as the United States participates in the activities of the organizations established under some of the treaties. Of the four treaties—including this one—considered by the Committee during its May 19 business meeting, each was submitted to the Senate more than two years after signature by the United States. This case, in which the Administration advanced legislation to bring U.S. law into compliance with the treaty two years prior to a request for advice and consent to the treaty, appears particularly egregious. The Committee believes this trend undermines the Senate's legal role in the advice and consent to ratification of treaties. The Committee may need to consider legislation to redress this issue should this trend continue.

VII. EXPLANATION OF PROPOSED TREATY

For a detailed article-by-article analysis of the proposed treaty, see the technical analysis accompanying the letter of submittal from the Secretary of State, which is set forth at pages VII-XV of Treaty Doc. 104-17.

VIII. TEXT OF THE RESOLUTION OF RATIFICATION

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of The International Convention for the Protection of New Varieties of Plants of December 2, 1961, as revised at Geneva on November 10, 1972, on October 23, 1978, and on March 19, 1991, and signed by the United States on October 25, 1991 (Treaty Doc. 104-17), subject to the reservation of subsection (a), the declarations of subsection (b), and the proviso of subsection (c).

(a) RESERVATION.—The advice and consent of the Senate is subject to the following reservation, which shall be included in the instrument of ratification and shall be binding on the President:

PROTECTION FOR ASEXUALLY REPRODUCED VARIETIES.—Pursuant to Article 35(2), the United States will continue to provide protection for asexually reproduced varieties by an industrial property title other than a breeder's right and will not, therefore, apply the terms of this Convention to those varieties.

(b) DECLARATIONS.—The advice and consent of the Senate is subject to the following declarations:

(1) LIMITED RESERVATIONS PROVISIONS.—It is the Sense of the Senate that a "limited reservations" provision, such as that contained in Article 35, has the effect of inhibiting the Senate in its exercise of its constitutional duty to give advice and consent to ratification of a treaty, and the Senate's approval of this treaty should not be construed as a precedent for acquiescence to future treaties containing such a provision.

(2) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(c) PROVISIO.—The resolution of ratification is subject to the following proviso, which shall be binding on the President:

SUPREMACY OF THE CONSTITUTION.—Nothing in the Treaty requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.