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Variety Protection – Trade mark Protection – Club varieties

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Variety protection

Variety protection is a private law protecting the intellectual property of a breeder who developed a new variety. Additionally, it represents a material incentive as the variety protection is the basis for licence agreement. In Germany, the legal basis is the German Variety Protection Law.

Contrary to the above is the admission to a national list of a variety, which is public law. This law protects the guarantee for good varieties and good seed on the market. Thus being the condition for propagating material especially of agricultural species. The legal base is the German Seed Act (GSA).

With the entry into force of the new Council Directive 2008/90/EC in January 2017, protection and certification of varieties are the condition for the trade of propagating material and planting material of fruit varieties within the EU. An exemption is granted for older varieties.

The so-called “breeder’s exemption” is not covered by the variety protection (art. 10a German Variety Protection Law). Thus, the breeder must not give allowance for the use of his variety in further breeding.

Question of licence

By licence agreements, the breeder may eventually get back a part of his investments in the breeding. At times, it takes 20 years until an apple variety is ready for the market. Breeding is time consuming and costly and may be refinanced by licence agreements. A licence agreement between breeders and experimental farms, executing field experiments or breeders and producers contains different agreements. A contract on experiments regulates how the planting material has to be used. The property rights are explained (who is the owner of the planting material – the person who planted it or who supplied it?). The distribution of the propagation material and the sharing of experimental results as well as the copyright are regulated as well as the financial compensation, the right to inspection and the handling with eventually derived varieties. A derived variety emerges by finding a mutant in the orchard or experimental field (i.e. bud mutations occurring through UV radiation, treatments etc.) and by propagating the branch with this promising foundling. New trees are produced and it is checked whether the foundling is suitable for a new variety.

The term “essentially derived variety (EDV)” is a legal concept in case the original variety is a protected variety. In this case the mutant variety is principally protectable but an adequate compensation between finder and the holder of the plant variety protection rights must be stipulated. Finally, in a licence agreement it is stipulated when the results must be achieved / presented or when the agreement ends.

Club varieties

A special form of marketing varieties is the club that is under central supervision or that exercises central control. Essential characteristics of a club variety are the following: The excludivity of a club variety is
due to the exclusivity of the club members. The whole process from breeding to marketing of the fruit is controlled. The limited number of club members allows the enforcement of very strict obligations with respect to production and marketing (specification and inspection). The pre-condition for a club variety is a prohibition right, i.e. an exclusive right such as the variety protection or – in case of free varieties – the right on a protected trademark. The cultivation conditions and the quality characteristics for the crop are specified. A very intense promotion for the variety is launched (e.g. variety ‘Cripps Pink’ / trademark Pink Lady®, the first variety with a particular television spot). Higher prices can be achieved – starting with “primeur prices” at the introduction on the market. Subsequently higher prices are attainable, provided the demand can be increased through advertisement (and good quality) and the supply can be shortened through strict quality provisions. This will also apply when supermarkets sell all varieties at the same price (mixed calculation); the club variety will always be more expensive for purchase as there are higher investments.

Checking and Granting Variety Protection

In Germany, variety protection and certification are granted by the Federal Plant Variety Office (Bundessortenamt - BSA). The BSA is an independent central government authority under supervision of the Federal Ministry of Food and Agriculture. Independent means that the decisions are taken independently. The BSA is responsible for carrying out the variety testing, the granting of the variety protection, and the national listing of the variety. The head office of BSA is in Hannover. The seven technical testing centres have each individual responsibility for specific plant species; Wurzen being responsible for fruit species.

The first step in the process of variety protection is the submission of an application and the submission of planting material as requested by the BSA – in the case of apple five trees for testing plus a spare tree. In case of mutant varieties, which due to their genetic characteristics are not very homogenous and invariable, the BSA is asking for more trees to check for the same standard of homogeneity. Die varieties are planted in the open field – in accordance with breeder’s information – with similar varieties selected by BSA. The morphological and phenological characteristics are recorded for at least two vegetation cycles. The characteristics are selected in accordance with internationally agreed guidelines. The advantage of internationally agreed guidelines is that these tests are carried out accordingly in 75 countries of the world. Thus, it is possible that a variety being protected in one country must not be tested again if an application for protection is filed in another country. The test report of the first country can be taken over. The results guaranteeing that the variety is new, distinguishable and invariable are exactly the same as if they would have been checked by the BSA. When the test is finalized and the result proves that the variety is distinguishable, a decision on variety protection can be taken or the report is sent to the authority that asked for the testing (art. 7 BSAVfV, art 18 LPPV).

Today, less than 25 % of the testing for apple varieties in Wurzen is for German breeders. The majority of tests is carried out on behalf of the Community Plant Variety Office (CPVO) granting an EU wide protection. The BSA is one of its accredited examination offices.

EU variety protection

The Community Plant Variety Office (CPVO) is based in Angers (France) and actually receives about 3,299 applications for variety protection
(2016); mainly for ornamental plants. The second most important group of species are the agricultural species; fruit species with 7.4% playing a more subordinate role. However, fruit species require the most time consuming and costly testing.

For apples, Wurzen is one of the six accredited examination offices of the CPVO; the others are Slupia Wielka (Poland), Brno (Czech Republic), Tordas (Hungary), Valencia (Spain), Angers (France). All varieties being notified for Community plant variety rights are tested in one of the six examination offices. Non-accredited examination offices may test additionally, but their results are not accepted by the CPVO. In case a breeder had received variety protection from a non-accredited Plant Variety Office and would – later on – decide to ask for variety protection at EU level, the testing would have to be repeated.

Variety protection versus trade mark protection

For quite a number of fruit varieties two denominations exist. Whoever hears the term “Rubens” directly thinks of an apple variety. However, Rubens® is not a variety name but a protected trade mark. The respective apple variety is ‘Civni’, the variety of the Italian Association of Nurseries (Centro Italiano Vivaisti) whose varietal denominations all start with “CIV”. For the variety ‘Cripps Pink’ the trade mark Pink Lady® exists and for ‘Rafzubin’ the trade mark Rubinette®. This is most important in variety names being numerical codes such as ‘13S2009’ being the variety name of a cherry which is known under the trade mark Staccato®. In previous presentations the varieties ‘PREMA96’ for Rockit® and ‘SQ159’ for Natyra® have been mentioned.

The variety protection is related to a variety, under the condition that a designation suitable for registration exists. When a variety is no longer protected, and in apples the variety protection ends automatically after 30 years, the variety designation is no longer protected. This old variety designation may not be used for a new variety but may be used for different purposes.

Contrary to the above, a trade mark is a sequence of characters that does not refer to the variety but to the owner who can be a natural or legal person. Trade marks can be word marks (words, letters, numbers or other characters), figurative marks (images, pictorial elements), word/figurative marks, three-dimensional marks (objects that are recognizable in a special way), tracer marks (coloured stripes or threads), colour marks (colours or colour patterns), acoustical marks (acoustic signals, melodies, jingles), position marks (specific pattern at the same place on an object; e.g. red tip on a jeans) or any other category of trade mark. This means specific marks that are suitable to differentiate the products of one company from the products of another company and thus make the products identifiable. The characters used as a mark must be capable of being represented graphically; this also applies to acoustical marks.

The Nice Classification, established by the Nice Agreement (15 June 1957), is an international system for the purpose of registering trade marks. Actually, it groups products and services into 45 classes. Germany is contracting member state and the agreement is applied by 140 countries. The system identifies the scope of protection. The Nice Classification is available in the internet: www.wipo.int/classifications/nice/en/

The procedure for granting a trade mark is similar to the procedure for granting variety protection. An application is necessary – in Germany at the German Patent and Trade Mark Office – followed by a check. The application is checked for absolute grounds for refusal. In particular, all words that merely describe the goods or services (for example, “apples” for fruit) are regarded as a criterion for exclusion, or if the proposed mark is either already in use, is misleading or is in conflict with social standards. There is no check for so-called relative grounds for refusal which means that the proposed trade mark could violate third-party rights. In case of a positive result the trade mark is registered and published in the electronic Trade Mark Journal (https://register.dpma.de/DPMAreregister/blattdownload/marken). There is a possibility to appeal. Trade marks can be cancelled during the protection or after the expiration of the protection, e.g. when an absolute ground for refusal was stated (invalidity of the registration) or the protection expires as the trade mark has not been in use for five or more years. Those decisions are published in the Trade Mark Journal too.
The duration of the protection ends after ten years, but can be renewed for further periods. The fact that the duration of protection can be extended as desired is the reason why for propagation material and the crops trade mark protection is requested; in apples the variety protection ends after 30 years and in strawberries after 25 years. Whoever has received trade mark protection while the variety protection is still valid, does not have any right of prohibition with respect to the variety name when the variety protection expires but the right of prohibition with respect to the trade mark.