Plant Variety Rights Act 2021

Review of The Plant Variety Rights Act 1987: Proposed Regulations

SUBMISSION

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To: New Zealand Intellectual Property Office
The Ministry of Business, Innovation and Employment
Wellington

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Introduction to the Submitters - Bloomz New Zealand Ltd

BLOOMZ is focused on the import and development of plant material of major horticultural crops (apples, stone fruit, wine grapes, kiwifruit, berries, citrus) into New Zealand via Government accredited quarantine facilities, and has become the key New Zealand import facilitator for such crops. We act as a PVR agent for a number of breeders and variety owners both in New Zealand and offshore.

The parties we are submitting on behalf of comprise New Zealand's leading fruit tree nurseries, variety managers and licensors of plant related intellectual property.

Background

Plant Variety Rights (**PVRs**) are the critical legislative mechanism that protects the Intellectual Property of many of the commercial plant varieties utilised by the New Zealand Ag-Hort, seed, arable and ornamental plant industries.

A **PVR** provides the plant breeder with a limited exclusive right to control and licence the propagation and distribution of plant material, in recognition of the investment that they have made in breeding and developing the variety.

The rights scheme thereby enables New Zealand access to overseas-bred varieties which would not be released here by their Owners without the adequate protection of the legislation. As a result, farmers, horticultural producers and the public gain access to an increased number and range of improved varieties, that are more productive, disease resistant and have greater consumer appeal. We note that over 70% of all new PVR applications for fruit varieties are from overseas applicants, the majority of which are already commercially developed varieties and are part of global production and fruit marketing plans.

By providing a tool to control the commercialisation of a plant variety, **PVRs** encourage investment and effort into both our New Zealand based plant breeding and import of new offshore varieties, which are a critical precursor to export growth and prosperity.

The Regulations

Regulations are required to implement the provisions of the PVR Act. Such regulations deal with procedural and administrative issues relating to the implementation of the PVR Act.

They include important matters such as setting the conditions under which growing trials must be conducted.

Rather than drafting a new set of fit for purpose regulations MBIE have stated that their preferred option is to follow relevant provisions of regulations developed for other legislation administered by IPONZ, primarily the Patent Regulations 2014.

This does create some issues, as PVR specific regulations have to then be 'tacked on' to regulations that have for a large part been designed for the Patent process. This is not ideal.

As much as MBIE suggest that the PVR Bill provides for proceedings, including hearings and opposition procedures, we have serious concern that a simple right of appeal has not been included in the Bill, in favour of very expensive high court proceedings. This is not acceptable.

The regulations have been drafted using both current legislation and regulations for Patents and Plant Variety Rights, as well as the proposed new PVR Bill which has not yet be enacted, which is quite confusing.

Given the considerable interest in the PVR Bill, and dissatisfaction with several key areas in the proposed draft, it is likely that the Bill will require redrafting prior to its second reading. The associated regulations will therefore also require redrafting.

Any modifications to the currently proposed regulations must be circulated for further public consultation – these are the key operational guidelines and must not be rushed through.

Submission

Questions from the MBIE consultation paper

PVR specific provisions

2.1 Do you agree with MBIE's proposal that the new PVR regulations be adapted, as far as possible, from corresponding provisions in the Patents Regulations 2014?

Whilst there are some corresponding regulations that may be adapted from the Patents Regulations, we are concerned that the nature of PVRs as living organisms that require physical examination, are quite different to the desktop examination of Patents, and therefore the PVR Act requires its own regulations.

Regulations adapted from the Patents Regulations

3.1 Do you agree with the outline of regulations to be adapted from the Patents Regulations set out in the table above? If not, please explain which aspects of the outline you disagree with, and why?

No, as these cannot be taken as a group but need to be dealt with on a case-by-case basis. See below:

a) Fees

The fees to be charged under the PVR regulations (application, trial, examination and annual renewals) differ significantly from those in Part 1 of the Patents Regulations 2014. For example, the PVR fees do not currently provide for tiered renewal fees, maintenance fees and penalty fees as described in the Patent Regulations. Conversely there are no trial fees, or fees for objections or fees for compulsory licenses in the Patents Regulations.

Timing of payment as described in Regulation 6(1) of the Patents Regulations 2014, is unconcise and inconsistent with the 'PVR specific' regulations discussed later in this document.

Where applications are filed using the International Union for the Protection of New Varieties of Plants (UPOV) PRISMA PBR application tool, we request that all fees are charged at the time of application, rather than the current process where the PRISMA fee is charged at time of application and the application fee is invoiced separately by IPONZ (i.e., not through the case management facility).

This is inefficient, incurs additional expense and most importantly creates an unnecessary delay between submission and filing, which could have significant repercussions if the candidate variety is nearing its novelty bar date.

We note that PVR fees are currently under review so therefore the fee structure and the fees appear likely to change. Any changes will require an amendment of the regulations.

b) Forms and Documents

12(1)(a) of the Patents Regulations 2014 states that 'any information or a document' must be given to or by the Commissioner through the **case management facility**. This disregards the fact that an increasing number of PVR applications are being filed via the PRISMA system.

In addition, there are limitations with the case management facility – for example it is not possible to submit information on multiple cases at one time. There are limitations on which matters information/documents can be submitted, and the relevant part within the case management facility is labelled 'Maintain a Plant Variety' which indicates this is for matters relating to grants, so very confusing.

The case management facility is not the appropriate medium for detailed discussions about technical matters, therefore some direct communication with the PVR office, rather than generic IPONZ staff, is necessary.

c) Addresses

There is no requirement in 34 of Patents Regulations 2014 that the address for service must be in New Zealand or Australia. This is a requirement in the Plant Variety Rights Act 5(1)(c).

d) Agents

Currently an authorised agent may be appointed or changed without confirmation from the agent that they wish to act on the applicant's behalf. We recommend that if a party other than the agent themselves is either filing the application or appointing an agent, IPONZ must confirm that the nominated agent is in agreement.

When using the PRIMSA system, if the applicant has requested that an agent acts on their behalf, the agent has to accept the request.

e) Application for a PVR

We do not agree that obtaining a filing date for a new application should require a variety denomination, as proposed in Clause 36(2)(iii) of the Bill. UPOV 91 does not require a variety denomination to make an application; it can be provided subsequently. We do not believe that New Zealand should add additional filing requirements for applications that are not subject to Part 5 of the Bill.

Payment of fees 36(3) of the PVR bill – see above re applications filed using PRISMA and delays with payment created by IPONZ (not the applicant).

Section 5A of Plant Variety Rights regulation 1988 – some rewording required to confirm that digital images are acceptable, as distinct from photographs or positive colour prints.

f) Convention applications

See comments above re deferred application dates due to payment delays with applications filed via PRISMA

g) Grant and Publication of a PVR

Clause 28 PVR Bill - If the Māori Plant Varieties Committee decides, under section 65(1)(c), that an agreed or a proposed condition must be a condition of grant of a PVR, we do not agree that this condition is attached to the grant or that this information becomes open to public inspection on grant.

A mitigation or condition is commercial in confidence and it should be sufficient for the MPVC to inform that Commissioner that an agreement has been reached.

h) Nullification/Cancellation of a PVR

No comments

i) Restoration of lapsed applications and PVRs

No comments

j) Substitution of Applicant

No comments

k) Registration of assignment of PVRs

No comments

l) PVR Register

We assume that the 'PVR register' is the database published on the IPONZ website.

A number of the particulars listed in 197(1) of the Patents Act are not relevant to PVR, and need to be replaced with the particulars relevant to the PVR Act or deleted.

We are not sure what is contemplated by 128 (3)(a)(iv) of the PVR Bill, particularly the reference to 'any licensees of the PVR'. The PVR may be assigned to a party who happens be a licensee, however there is no obligation for the applicant to supply any information about licensees and nor should there be. These are commercial arrangements not relevant to the PVR process.

m) PVR Journal

Given that all information that is contained in the PVR Journal is available in the online database in a real time, we question the necessity for a journal. This is an unnecessary expense and administrative burden on the PVR office.

n) Miscellaneous Provisions

No comments

o) Procedural and Evidential requirements

A number of the documents listed in 152(1)(a) of the Patents Regulations are not pertinent to PVRs, and need to be replaced with the documents relevant to the PVR Act or deleted.

Denominations

4.1 Which of the two options for the time limit for submitting a replacement denomination do you support? Please explain why.

We do not agree that obtaining a filing date for a new application should require a variety denomination, as stated in Clause 36(2)(iii) of the Bill.

UPOV 91 does not require a variety denomination to make an application; it can be provided subsequently. We do not believe that New Zealand should add additional filing requirements for applications that are not subject to Part 5 of the Bill.

Therefore, while we agree that there should be a time limit for providing replacement denominations, any requirements for a replacement denomination would only come into effect once a denomination has been provided by the applicant, which would be either at or after filing, but prior to grant.

4.2 If you favour option (i) should the prescribed period for submitting a denomination be extendible? If so, how long should any extension be, and on what grounds?

One month's extension is reasonable, taking into consideration the comment in 4.1 above.

Examination

4.3 Do you agree with MBIE's proposals for the time limits for providing information and propagating material in relation to a PVR application? If not please explain why.

Provision of a genus specific technical questionnaire at time of application is mandatory, as per 5(1)(a)(ii) of the PVR Act. This includes all of the information listed in clause 47, so we are not sure what is contemplated by this section. If additional or supplementary information, or clarification, is required, we support a prescribed period in which to provide information, however one month is not long enough, particularly for offshore applicants.

We strongly disagree with the comments in clause 54, there is no correlation whatsoever between the availability of information and the availability of propagating material.

The biggest impediment to providing propagating material (of the candidate variety or comparator varieties) is the current plant import and quarantine system, which makes it difficult or even impossible to import plant material on a timely basis. Applicants should not be disadvantaged for this reason.

When filing an application an indication of the availability, or projected availability, of propagating material is provided. In the case of genera requiring post entry quarantine (where space may not be available for the foreseeable future), or where there is no Import Heath Standard, import delays could conceivably be 5 years or longer, with little or no prospect of importing any sooner.

4.4 If you disagree with MBIE's proposal, what alternative time limit regime should be adopted?

Three months for providing information is acceptable.

For the supply of propagating material, the timing indicated at time of the application should be initially accepted. Thereafter, at the Commissioners discretion, extensions of longer than 12 months should be possible to avoid multiple extensions. In this circumstance, corroborating evidence may be necessary e.g., confirmation from the Ministry of Primary Industries that there is no active pathway for the genera, or that PEQ facilities are fully booked.

Time Limits for paying trial and examination fees

4.5 Do you consider that the two-month period for paying trial or examination fees is reasonable? If not, please explain why.

Two months from the date of request is reasonable, however requests for payment of trial or examination fees are only acceptable when plant material is available and suitable for trials.

4.6 MBIE proposes that the prescribed period be extendible only under genuine and exceptional circumstances. Do you agree with this? If not, what extension (if any) should be available, and under what criteria?

An extension or reversal of the request for payment may be necessary if propagating material is not available.

Requirements surrounding growing trials

4.7 MBIE has proposed that the regulations empower the Commissioner to set the conditions of a growing trial. Do you agree with the conditions proposed by MBIE? Are there any other conditions that you think the Commissioner should have the power to set?

We agree that the Commissioner should determine the most appropriate growing trial arrangements, but that must be done in consultation with the applicant and/or their agent to ensure all information is considered.

If there is a disagreement about the growing trial arrangements, then there must be a resolution process.

Where growing trials are conducted by a third party, and the use of such trial sites is mandatory, the Commissioner must have oversight of costs incurred to ensure there is no price gouging.

In principle we agree with the **Prescribed conditions for growing trials** (Clauses 78 and 79) however as discussed in detail above, availability of propagating material of both the candidate and comparator varieties is extremely problematic.

If material of the PVR candidate is available, it is unreasonable to delay trials due to the unavailability of comparators, as that is beyond the control of the applicant. It is particularly important that growing trials are not unreasonably delayed, given the proposed changes to the provisional protection which expose the applicant to significant and prolonged risk, and no ability to take action on infringements. In these circumstances either comparators should be excluded, other comparators found, or the comparison done 'on paper'.

The availability of reference varieties is also challenging – some varieties are outdated and simply no longer available. Regular review of reference varieties is required.

A further issue arising is the health status of comparator or reference varieties. If the applicant or operator of the trial has genuine concern that material is infected with a pest or disease, they should be able to refuse to include such material in the growing trial.

There is reference to **growing trials conducted overseas** in clause 80. We encourage the use of oversea trial data wherever possible, particularly given the problems with New Zealand's plant import and quarantine system.

One of our members commented that a hybrid process of physical examination of the candidate variety along with desktop examination through the use of offshore DUS reports (from other UPOV countries) is possibly the best process moving forward in terms of time and cost

We agree that the Commissioner makes this decision however if there is a disagreement there should be provision for a resolution process.

This may also affect clause 82 (i) and (ii.)

4.8 MBIE proposes that where the Commissioner chooses to rely on a growing trial conducted by an overseas authority, and two more such reports are available, the Commissioner should determine which report to rely on. Do you agree with this proposal? If not please explain why.

In the first instance, we agree that the Commissioner should determine which report to use, however the wording in clause 83 is confusing – we assume that it is meant to say that the Commissioner would rely on the report carried out by the first (not second) overseas authority.

Once again if there is disagreement, there should be a resolution process.

Passing on any fees for foreign tests reports at cost is acceptable, and the costs of reports should not be deciding factor on which report to use.

Compulsory Licenses

4.9 Do you agree with the proposed procedure for dealing with compulsory license applications? If not please explain why.

We agree with MBIE approach as described in clauses 89-92

The current fee for a request for a compulsory license is $600. This is not adequate given the exhaustive process required of the Commissioner. The fee should also be sufficient to deter frivolous applications, given the onerous requirements on the PVR Owner when an application for a compulsory license has been made.

4.10 If you disagree with the proposed procedure, what other procedure could be used?

Not applicable

Proposed procedure for objections before grant

5.1 Do you agree with the procedure proposed for objections before grant? If not please explain why.

To keep some consistency in the regulations – all time periods should be three months (rather than the 4 months suggested) as that simply prolongs the issue. There is a safety clause as per clause 103 of a 3-month extension in the case of extenuating circumstances

5.2 If you disagree with the proposed procedure, what alternative procedure do you suggest be adopted?

Not applicable

Requests for propagating material or information from PVR owners

5.3 Do you agree with the proposed time periods for providing information or propagating material relating to a granted PVR? If not please explain why.

We submit that in the interests of consistency within the regulations a three-month minimum time period for providing information is reasonable.

In the case of propagating material, a three-month minimum time period is also reasonable where material is readily available, however a maximum of 12 months is too short particularly for genera where there is a lengthy propagation period and surplus material may simply not be available. We are not sure that it is reasonable to expect a PVR holder to prioritise the supply of propagating material to the Commissioner over their own commercial requirements.

A circumstance could arise, where a PVR is granted without propagating material entering New Zealand. It must therefore be made very clear to applicants that regardless of how an application is examined, there is an obligation to have propagating material available or else any grant could be potentially cancelled by the Commissioner.

5.4 MBIE proposes that the proposed time periods not be extendible. Do you agree with this proposal? If not, what extensions should be available and under what grounds should extensions be provided?

It is vital that the time periods should be extendible but only in the case where there is a 'reasonable excuse' e.g., physical lack of available material, plant mortality, true to type-ness issues, and availability of PEQ space for some genera.

This should be determined by the Commissioner and the PVR holder may need to provide evidence to corroborate their request.

Non-indigenous species of significance

5.5 When should the regulations listing non-indigenous species of significance enter into force? Should they enter into force with the Bill's non-Treaty provisions, or be left until the Treaty provisions come into force? Please give reasons for your response

All Treaty provisions, including the regulations listing non-indigenous species of significance, should come into force at the same time (i.e., as per clause 125, approximately 12 months after the entry into force of the remainder of the Bill).

We agree that the list of non-indigenous species of significance may be amended or adapted only after public consultation and subsequent agreement by the Commissioner, however any change is not just the domain of the MPVC but of the wider community and therefore must be subject to full public consultation.

Clause 122 - the word taonga should be defined.

5.6 Do you have any other comments on the list and the entries in it?

Clause 53(b) of the PVR Bill states that the provisions outlined in Part 5 of the Bill only apply 'in circumstances where the material from which the plant variety was derived was sourced from New Zealand'. This is inconsistent with the inclusion of non-indigenous species, which clearly are not sourced from within New Zealand. If species that arrived in New Zealand on the migrating waka are to be included in Part 5, this clause 53(b) requires modification.

Some species on the proposed list failed to establish and are probably no longer present in New Zealand (e.g., Kuru – Breadfruit), or may have become extinct and then reintroduced from another source (e.g., Aute - Paper-Mulberry). As Part 5 of the Bill would not apply, there does not seem to be a logical reason for their inclusion on the list, as any future PVR applications for these species be for material originating from another source.

Note: there are misspellings of the botanical names and incorrect nomenclature, which requires correction:

Name listed	Correct name
Artocarpus incisa	*Artocarpus altilis*
Colocasia esulenta	*Colocasia esculenta*
Cordyline fruticose	*Cordyline fruticosa*