Plant Breeder’s Rights in Australia

I. Introduction

Australia’s intellectual property law has drastically evolved over the past quarter century with respect to plant breeder’s rights. The Plant Variety Rights Scheme was initially established by the Plant Variety Rights Act of 1987. The Plant Variety Rights Act was subsequently repealed by the Australian Parliament and replaced with the Plant Breeder’s Rights Act of 1994 which granted proprietary rights to plant breeders of particular new varieties in accordance with the 1991 revision of the International Convention for the Protection of New Varieties of Plants (the UPOV Convention). Australia became a member of the UPOV Convention on March 1, 1989. Although the Plant Variety Rights Act was repealed, all plant variety rights obtained under the Plant Variety Rights Act are treated as plant breeder’s rights under the Plant Breeder’s Rights Act if those rights were still in force as of the commencing day of the Plant Breeder’s Rights Act.

The constitutional validity of both the Plant Variety Rights Act of 1987 and the Plant Breeder’s Rights Act of 1994 has been upheld by the High Court of Australia in *The Grain Pool of Western Australia v. Commonwealth*. The Court, relying on § 51(xviii) of the Constitution, held that the enactment of both Acts was within the Commonwealth’s legislative powers to legislate with respect to “patents of inventions.” The Court found the elements of plant breeder’s rights are aligned closely enough with those of patent law to allow the legislature to treat plant breeder’s rights as “patents of inventions.” The Court relied on the decision in *Nintendo Co. Ltd. v. Centronics Systems Party Ltd* in construing the Commonwealth’s legislative powers. The *Nintendo* Court ruled that the essence of the legislative power granted
by § 51(xviii) of the Constitution is that “it authorizes the making of laws which create, confer, and provide for the enforcement of, intellectual property rights in original compositions, inventions, designs, trade marks and other products of intellectual effort.”

IP Australia is a federal government agency created in 1904 which receives and processes applications, conducts hearings and decides disputed matters concerning the granting or denial of Australian intellectual property rights. The Plant Breeder’s Rights Office, located at IP Australia, deals exclusively with applicants for plant breeder’s rights.

Plant breeder’s rights are used to protect new, registered varieties of plants by granting exclusive commercial rights to market a new variety or its reproductive material. The gratee of rights can direct the production, sale and distribution of the new variety, receive royalties from the sale of plants or sell its rights. The following sections will discuss the scheme, eligibility requirements, scope, exceptions, and enforcement of plant breeder’s rights in Australia.

II. Eligibility Requirements for Plant Breeder’s Rights

Registration for plant breeder’s rights in Australia is restricted by the Plant Breeder’s Rights Act in accordance with the guidelines of the UPOV Convention. Section 43 of the Plant Breeder’s Right Act allows a plant variety to qualify for registration if the variety has a breeder, is distinct, uniform and stable, and is new or recently exploited. These characteristics of a plant variety can allow an applicant to receive plant breeder’s rights if proven through a test growing period comparing the new variety with the most similar varieties of common knowledge.

There are several situations in which person will be considered a breeder, in relation to a new plant variety, under the Plant Breeder’s Rights Act. First, if the variety was bred by one
person only, the person will be considered the sole breeder.\textsuperscript{25} Second, if the variety was bred by
two or more persons, each person will be considered a breeder regardless of joint action or
temporal factors.\textsuperscript{26} Third, if the variety was bred by either a single person, or two or more
persons performing duties or functions as a member or employee of an entity, the entity of which
that person or each of those persons is a member or employee will be considered the breeder.\textsuperscript{27}
Additionally, any successor\textsuperscript{28} in title to any of the above referenced breeders will be considered a
breeder in relation to a new plant variety.\textsuperscript{29} The act of breeding a new plant variety “includes a
reference to the discovery\textsuperscript{30} of a plant together with its use in selective propagation\textsuperscript{31} so as to
enable the development of the new plant variety.”\textsuperscript{32}\textsuperscript{33} Foreign breeders or foreign owners of
registrable plant varieties are required to appoint an agent to represent their interest in the variety
in Australia.\textsuperscript{34}

A new variety must be proven as distinct, uniform, and stable through a process of
comparing the new plant variety with the population from which the new variety originated.\textsuperscript{35}
The distinctness of a plant variety is established by demonstrating that the variety is “clearly
distinguishable from any other variety whose existence is a matter of common knowledge.”\textsuperscript{36}
The breeder can obtain provisional protection\textsuperscript{37} by establishing a prima facie case that the variety
is distinct from all other varieties of common knowledge.\textsuperscript{38} The uniformity of a plant variety is
established “if, subject to the variation that may be expected from the particular features of its
propagation, it is uniform in its relevant characteristics on propagation.”\textsuperscript{39} A plant variety is
considered stable “if its relevant characteristics remain unchanged after repeated propagation.”\textsuperscript{40}

Plant varieties must have not been exploited (new) or only recently exploited in order to be
eligible for application for plant breeder’s rights.\textsuperscript{41} The Plant Breeder’s Rights Act treats a plant
variety as new if, “at the date of lodging the application for PBR [plant breeder’s rights] in the
variety, plant material of the same variety has not been sold to another person by, or with the consent of, the breeder.” A plant variety will be treated as only recently exploited if, “at the date of lodging the application for PBR [plant breeder’s rights] in the variety, plant material of the same variety has not been sold to another person by, or with the consent of, the breeder, either,” in Australia for a period of more than 1 year before the date of lodging the application, or in a foreign territory for a period of more than 4 years before the date of lodging the plant breeder’s rights application. In *Sun World International, Inc. v. Registrar, Plant Breeder’s Rights*, the Federal Court broadly interpreted the word ‘sale’ to include a transaction, entered into with the consent of the breeder, for the plant or reproductive material for consideration including, but not limited to, money. The Court ruled that a sale is not invalidated because it is for a low or nominal price, “part of a larger transaction” or subject to restrictive covenants. The case was brought under the Plant Variety Rights Act of 1987; however, IP Australia informs that this case represents the Plant Breeder’s Office’s long-standing view of what constitutes a sale and is applicable to sections 3 and 43 of the Plant Breeder’s Rights Act.

If an applicant or joint applicants for plant breeder’s right are successful, the Registrar will grant the applicant(s) an exclusive grant of plant breeder’s rights in relation to the plant variety. If a person is granted the plant breeder’s rights in relation to a plant variety, all persons who were entitled to, but had not applied for the rights in the variety are no longer permitted to apply and are not entitled to any interest in the rights. Additionally, after a person is granted the rights in a variety, all other applications for the same variety will no longer to be considered, and the other applicants are not entitled to any interests in the rights. A person, other than the grantee, will always retain the rights to apply for revocation of rights, institute proceedings in relation to the
request a declaration that the variety in which plant breeder’s rights were granted is an essentially derived variety under section 40, or claim an assignment of the right.\textsuperscript{56}

\textit{III. Scope of Plant Breeder’s Rights}

The general nature of plant breeder’s rights is contained in section 11 of the Plant Breeder’s Rights Act of 1994, which states:

\textbf{“Subject to sections 16, 17, 18, 19, and 23 PBR [plant breeder’s rights] in a plant variety is the exclusive right, subject to this Act, to do, or to license another person to do,\textsuperscript{57} the following acts in relation to propagating material of the variety:
(a) produce or reproduce the material;
(b) condition the material for the purpose of propagation;
(c) offer the material for sale;
(d) sell the material;
(e) import the material;
(f) export the material
(g) stock the material for the purposes described in paragraph (a), (b), (c), (d), (e), or (f).”}\textsuperscript{58}

The duration of the plant breeder’s rights in a new plant variety begins on the granting day of the plant breeder’s rights and lasts for either 25 years for trees and vines, or 20 years for any other variety.\textsuperscript{59}

Plant breeder’s rights are personal property which can be assigned, or transmitted by will or through the operation of law.\textsuperscript{60} An assignment\textsuperscript{61} of plant breeder’s rights will take effect when the assignment is formalized in writing and signed by, or on behalf of, both the assignor and the assignee.\textsuperscript{62} A grantee of plant breeder’s rights also has the ability to grant a license in the rights of the variety which will bind “every successor in title to the interest of that grantee to the same extent as it was binding on that grantee of the PBR [plant breeder’s rights].”\textsuperscript{63}

The Plant Breeder’s Rights Act of 1994 has extended the plant breeder’s rights of section 11 in a new (initial) variety in certain situations such as essentially derived varieties\textsuperscript{64}, dependent
plant varieties\textsuperscript{65}, and harvested material and products obtained from harvested material in certain circumstances.\textsuperscript{66}

Plant breeder’s rights in an initial variety will encompass those of another variety if plant breeder’s rights have been granted to both varieties, and upon application by the grantee of the initial variety to the Secretary of the Department, the Secretary declares, “that the other plant variety is an essentially derived variety from the initial variety.”\textsuperscript{67} The essentially derived variety provision is “intended to protect less technologically advanced (but institutional and commercial) plant breeders from the potentially predatory technological capabilities of the biotechnology industry.”\textsuperscript{68}

Plant breeder’s rights in an initial variety are also extended to two types of dependent plant varieties irrespective of whether the dependent variety was in existence when plant breeder’s rights were granted in the initial variety.\textsuperscript{69} The first type of dependent plant variety is one which cannot clearly be distinguished from the initial variety, yet is clearly distinguishable from any variety of common knowledge at the time the plant breeder’s rights were granted to the breeder of the initial variety.\textsuperscript{70} A second type of dependent plant variety is a variety which can only be reproduced through repeated use of either the initial variety, or a dependent variety of the initial variety.\textsuperscript{71}

The grantee of plant breeder’s rights will have section 11 rights over harvested material\textsuperscript{72} originating from the registered propagating material if, the material is harvested without the authorization of the grantee, and the grantee did not have “a reasonable opportunity” to exercise its right over the propagating material.\textsuperscript{73} Additionally, the grantee will have section 11 rights over products subsequently made from harvested material, if plant breeder’s rights have
extended to harvested material and the grantee has not had “a reasonably opportunity” to exercise its rights over the harvested material.\textsuperscript{74}
IV. Exceptions to Plant Breeder’s Rights

Although extensive rights are granted to successful applicants for plant breeder’s rights, Australia has created exceptions to these rights. Plant varieties can be used for the purposes described in the exceptions without respect to the existence of plant breeder’s rights. Plant breeder’s rights, in relation to a registered variety, are not infringed by acts done “privately and for noncommercial purposes, for experimental purposes, or for the purpose of breeding other plant varieties.” The Plant Breeder’s Rights Act of 1994 may also disregard plant breeder’s rights in a variety for the conditioning and use of farm saved seed by a person engaged in farming activities. Conditioning and use of farm saved seed for reproductive purposes will not infringe plant breeder’s rights when propagating material of the registered variety is legitimately obtained for use in farming activities either through purchase, or through harvest of further propagating material. Additionally, in the unique situation in which a person is authorized by law to do a section 11 act with regard to propagating material which would otherwise require the authorization of the grantee, and if, before the prohibited act, “the person either pays equitable remuneration to the grantee in respect of the act or arranges for the payment of such remuneration,” the grantee is not allowed to exercise plant breeder’s rights over the propagating material. If equitable remuneration is paid, the plant breeder’s rights in the variety will not extend to any subsequent section 11 act in relation to the propagating material unless that act involves further production or reproduction, or exportation of the propagating material.

Unless the Secretary concludes that the plant variety has no use as a consumer product, “the grantee of PBR [plant breeder’s rights] must take all reasonable steps to ensure reasonable public access to that plant variety.” To ensure reasonable public access, the Secretary may license a person to sell or produce for sale the propagating material of plants of the registered
The license will extend for a period of time and be subject to terms and conditions that, “the Secretary considers would be granted by the grantee in the normal course of business.”

The final exception to plant breeder’s rights granted in a plant variety applies when either a grantee, or a person authorized by the grantee initiates a sale of propagating material of the plant variety. Plant breeder’s rights in a variety will not extend to any section 11 act with regard to propagating material of the variety or to propagating material of essentially derived varieties or dependent plant varieties unless that act involves further production or reproduction, or exportation of the material.

**V. Enforcement of Plant Breeder’s Rights**

Plant breeder’s rights in a plant variety can be infringed when a person other than the grantee of the rights either engages in a section 11 act, or claims to have the right to engage in a section 11 act with respect to the variety or a dependant variety without, or not in accordance with, authorization of the grantee of that right. If the engagement or claim to the right to engage in a section 11 act is in respect to an essentially derived variety, the previously referenced authorization concerns the authorization of both the grantee of rights in the essentially derived variety and the initial variety. The use of a name of a plant variety which is entered into the Register in relation to either other plant varieties within the same plant class, or a plant of another variety within the same plant class is also an infringement of plant breeder’s rights in that variety. A person convicted of intentional infringement of plant breeder’s rights in a variety is subject to a potential penalty of $55,000 for individuals and $275,000 for corporations.
Only the grantee of plant breeder’s rights in a plant variety may commence an action in the Court\(^{95}\) for infringement of plant breeder’s rights in that variety.\(^{96}\) The defendant in an action for infringement may counterclaim for revocation of the plant breeder’s rights in the variety on the ground that either “the variety was not a new variety,” or facts unknown to the Secretary at the time of grant of the rights would have caused the Secretary to refuse the granting of the right.\(^{97}\) Upon receiving all evidence relevant to revocation of the plant breeder’s rights, the Court may make an order revoking those rights.\(^{98}\)

Two situations in which a person may escape liability for infringement of plant breeder’s rights are declarations as to non-infringement and innocent infringement.

A declaration for non-infringement is used by a person seeking to perform a section 11 act with propagating material from a protected plant variety.\(^{99}\) This person must bring an action in the Court for a declaration of non-infringement, notify the grantee of his intentions, and pay all costs of the grantee related to the proceedings for the declaration of non-infringement.\(^{100}\)

Innocent infringement is a defense which may be declared by the Court where a person “satisfies the Court that, at the time of the infringement, the person was not aware of, and had no reasonable grounds for suspecting, the existence of,” plant breeder’s rights in a plant variety of which the person has allegedly infringed.\(^{101}\) A person claiming innocent infringement will be considered aware of plant breeder’s rights in a plant variety if, prior to the date of infringement, the propagating material of the registered variety is properly labeled\(^{102}\) and has been sold to a substantial extent.\(^{103}\) In a successful claim of innocent infringement, the Court is allowed to refuse to award damages or make an order for account of profits.\(^{104}\)

\textit{VI. Conclusion}
Australia developed the plant breeder’s rights scheme “to encourage plant breeding and innovation through the grant of a limited commercial monopoly to breeders of new varieties,” and “to give innovators legal protection, without which anyone could commercialize the variety without recourse to the innovator.” The Plant Breeder’s Rights Act of 1994 achieves these objectives by granting exclusive rights for a limited period of time to any breeder of new varieties of all plant, fungal, algal species and transgenic plants.

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3 See Agriculture, Fisheries and Forestry Legislation Amendment Bill (No. 2), 1999 (Austl.) (Explanatory Memorandum).
5 Plant Breeder’s Rights Act at § 82.
6 The Grain Pool of Western Australia v. Commonwealth (2000) 202 C.L.R. 479, 533. (In 1990, the State of Tasmania was granted plant variety rights to a variety of barley called Franklin Barley. Cultivaust, a grain merchant and trader, obtained a license from the State of Tasmania with the exclusive right to sell and produce the reproductive material of Franklin Barley and to grant rights to others to sell and produce such reproductive material. The Grain Pool of Western Australia (Grain Pool) commenced proceedings against the Commonwealth of Australia and Cultivaust Party Limited (Cultivaust) for relief including a declaration that the Plant Variety Rights Act of 1987 and the Plant Breeder’s Rights Act of 1994 were beyond the scope of the legislative power of the Commonwealth.)
7 Austl. Const. ch. I, pt. V, § 51. “The Parliament shall, subject to this Constitution, have power to make laws for the peace, order, and good government of the Commonwealth with respect to: - … (xviii.) Copyrights, patents of inventions and designs, and trade marks: …”
9 Matthew Rimmer, Franklin Barley: Patent Law and Plant Breeder’s Rights, 10 Murdoch University Electronic Journal of Law 4 at ¶ 19 (2003). (The Court found the following plant breeder’s rights terms synonymous with the following patent law terms: “plant breeder” and “inventor”; “plant variety” and “innovation”; “uniform” and “stability” under plant breeder’s rights and “novelty” and “inventive step” under patent law; common knowledge and prior art; “recent exploitation” and secret use.) Id.
11 The Grain Pool of Western Australia 202 C.L.R. at 493.
12 Nintendo Co. Ltd. 181 C.L.R. at 160.
15 “plant” includes all fungi and algae but does not include bacteria, bacteroids, mycoplasmas, viruses, viroids and bacteriophages.” Plant Breeder’s Rights Act at § 3.
17 “grantee:” (a) in relation to PBR [plant breeder’s rights] in a plant variety—means the person currently entered on the Register as the holder of that right in that variety; and
(b) in relation to PBR [plant breeder’s rights] in a plant variety declared to be an essentially derived variety of another plant variety—includes the person currently entered on the Register as the holder of that right in relation to that other plant variety.” Plant Breeder’s Rights Act at § 3.


“plant variety means a plant grouping (including a hybrid):
(a) that is contained within a single botanical taxon of the lowest known rank; and
(b) that can be defined by the expression of the characteristics resulting from the genotype of each individual within that plant grouping; and
(c) that can be distinguished from any other plant grouping by the expression of at least one of those characteristics; and
(d) that can be considered as a functional unit because of its suitability for being propagated unchanged.

Note: Plant groupings for the purposes of this definition include genetically modified plant groupings. See § 6 [Genetic modification].” Plant Breeder’s Rights Act at § 3.

20 Id. at § 43.
21 test growing includes a comparative test growing. Id. at § 3. For further information on test growing see id. at §§ 37, 38, & 41.
23 Plant Breeder’s Rights Act at § 3.
24 Id.
25 Id.

“successor means:
(a) in relation to a breeder of a plant variety—a person to whom the right of the breeder to make application for PBR [plant breeder’s rights] in that variety has been assigned, or transmitted by will or by operation of law; and
(b) in relation to a grantee of PBR [plant breeder’s rights] —a person to whom that right has been assigned, or transmitted by will or by operation of law.” Id.

29 Id.
31 See id. at p. 7. ( See also propagation, in relation to a living organism or its components, means the growth, culture or multiplication of that organism or component, whether by sexual or asexual means. Plant Breeder’s Rights Act, § 3.)
32 Plant Breeder’s Rights Act at § 5.
36 Plant Breeder’s Rights Act at § 43(2).
37 Id. at § 39. (See also http://www.ipaustralia.gov.au/pbr/provprt.shtml (last visited March 3, 2005)).
39 Plant Breeder’s Rights Act at § 43(3).
40 Id. at § 43(4).
41 Id. at § 43(1).
42 “In this section: plant material, in relation to a plant variety, means one or more of the following:
(a) propagating material of the plant variety;
(b) harvested material of the variety;
(c) products obtained from harvested material of the plant variety.” *Id.* at § 43(10).

43 **sell** includes letting on hire and exchanging by way of barter *Id.* at § 3.

44 *Id.* at § 43(5).

45 “in the case of trees or vines—more than 6 years before the date of lodging the application.” *Id.* at § 43(6)(b)(i).

46 *Id.* at § 43(6).

47 *Sun World International, Inc. v. Registrar, Plant Breeder’s Rights*, (1997), 75 F.C.R. 528 at 542-543. (affirmed in 87 F.C.R. 405). (The Court denied the application of Sun World for plant variety rights on July 16, 1991 relating to a variety of grapevine called Sugraone because it determined that Sugraone had been sold, by a prior holder of United States plant patent rights in Sugraone, more than six years prior to the date of application. From February 10, 1983 to June 25, 1985, the prior holder of Sugraone had entered into agreements with several growers for the use of Sugraone. In each of these dispositions there was a purchase price specified for the reproductive material, and one particular transaction was entitled “CONTRACT FOR THE SALE OF VINES.”)

48 *Id.* at 543.

49 *Id.* at § 45.

50 “dependent plant variety,” in relation to another plant variety in which a person holds PBR [plant breeder’s rights] in Australia, means a plant variety over which PBR in the other plant variety extends under section 13 [Extension of PBR to cover certain dependent varieties].” *Id.* at § 3.
‘harvested material’ includes entire plants and parts of plants. Plant Breeder’s Rights Act, Schedule 1, Article 14(2).

Id. at § 14.

Id. at § 15.


Plant Breeder’s Rights Act at § 16.

Id. at § 17. (The statute does not require the farming activities to be conducted on the farmer’s own land.)

Id.

“of the Commonwealth or of a State or Territory” Id. at § 18(1)(a).

“equitable remuneration, in relation to an act done in relation to propagating material of a plant variety, means an amount:

(a) that is agreed between the person proposing to undertake the act and the grantee of PBR in the plant variety; or

(b) if agreement cannot be reached under paragraph (a)—determined by a court of competent jurisdiction to constitute equitable remuneration in relation to the act.” Id. at § 18(3).

Id. at § 18(1).

The exportation of the material must be:

“(i) to a country that does not provide PBR in relation to the variety; and

(ii) for a purpose other than final consumption.” Id. at § 23(1)(c).

Id. at § 23(3).

Id. at § 19(11).

“Reasonable public access to a plant variety covered by PBR [plant breeder’s rights] is taken to be satisfied if propagating material of reasonable quality is available to the public at reasonable prices, or as gifts to the public, in sufficient quantities to meet demand.” Id. at § 19(2).

Id. at § 19(1).

Id. at § 19(3).

Id.

Id. at § 23(1).

Id. at § 23(1).

Id. at § 53(1).

(or any proposed synonym entered into the Register by the Registrar) Id. at § 53(1A)

Id.


Court means the Federal Court of Australia. Plant Breeder’s Rights Act at § 3.

Id. at § 54(1).

Id. at § 54(2).

Id. at § 54(3).

Id. at § 55(1).

Id.

Id. at § 57(1).


Plant Breeder’s Rights Act at § 57(2).

Id. at § 57(1).
