Bloomberg BNA

BNA's
Patent, Trademark & Copyright Journal®

PATENTS

The authors review litigation under the Plant Variety Protection Act in the last five years and project an increase in enforcement actions, in line with an increase in Certificate of Protection grants.

The Plant Variety Protection Act—An Increasingly Important Form of Intellectual Property Protection for Plants

By Michael R. Ward and Matthew A. Chivvis

As part of their treaty obligations in establishing International Union for the Protection of New Varieties of Plants (UPOV), member countries have enacted laws that provide ''Plant Breeders' Rights'' for protecting the breeding and commercialization of new plant varieties. Plant variety protection has become an increasingly important form of intellectual property because breeding new varieties can require a substantial investment of labor, material resources, money and time.

Michael R. Ward, Ph.D., is a partner at Morrison & Foerster in the firm's San Francisco office. As the founder and head of the firm's Plant Intellectual Property Group, Dr. Ward manages a wide range of intellectual property issues related to plants and plant products.

Matthew Chivvis is a senior associate in the firm's San Francisco office. He regularly consults clients on plant intellectual property matters, including strategic use of plant and utility patents, plant-variety protection certificates and trademark rights.

The opportunity to obtain exclusive intellectual property rights in new varieties gives plant breeders a better chance of recovering their costs and accumulating the funds necessary for further investment. Without IP, there would be little, if anything, to prevent others from propagating a breeder's variety and selling it on a commercial scale without recognizing the work of the breeder.[1]

The UPOV Convention seeks to ensure that the members of the Union grant plant breeders clearly defined IP rights, so long as the varieties they develop meet four basic criteria. To receive protection, a variety must be (i) distinct from existing, commonly known varieties, (ii) sufficiently uniform, (iii) stable and (iv) new in the sense that it must not have been commercialized previously.

Plant Variety Protection in the United States

In the United States, the UPOV implementing statute is the Plant Variety Protection Act (PVPA). This statute, however, concerns only sexually reproducing plants and tubers, as the remaining kinds of asexually propagated plants are eligible for protection under U.S. laws concerning Plant Patents. According to the Supreme Court, ''The PVPA extends patent-like protection to novel varieties of sexually reproduced plants . . . which parallels the protection afforded asexually reproduced

[1] UPOV Publication No. 437(E).

plant varieties'' through Plant Patents.[2] The Act was designed to provide plant breeders with ''adequate encouragement for research, and for marketing when appropriate, to yield for the public the benefits of new varieties.''[3]

The legal document a breeder must apply for to enforce rights under PVPA is called a ''Certificate of Protection.'' Whereas the U.S. Patent and Trademark Office examines and grants Plant Patents, it is the U.S. Plant Variety Protection Office (a part of the Department of Agriculture) that examines and grants these certificates. A PVPA certificate holder receives a set of IP rights similar to, and in some ways broader than, patent rights. The scope of these rights was expanded by Congress in 1994, and now includes the rights to:

(1) sell or market the protected variety, or offer it or expose it for sale, deliver it, ship it, consign it, exchange it, or solicit an offer to buy it, or any other transfer of title or possession of it;

(2) import the variety into, or export it from, the United States;

(3) sexually multiply, or propagate by a tuber or a part of a tuber, the variety as a step in marketing (for growing purposes) the variety;

(4) use the variety in producing (as distinguished from developing) a hybrid or different variety therefrom;

(5) use seed which had been marked ''Unauthorized Propagation Prohibited'' or ''Unauthorized Seed Multiplication Prohibited'' or progeny thereof to propagate the variety;

(6) dispense the variety to another, in a form which can be propagated, without notice as to being a protected variety under which it was received;

(7) condition the variety for the purpose of propagation . . . ;

(8) stock the variety for any of the purposes referred to in paragraphs (1) through (7);

(9) perform any of the foregoing acts even in instances in which the variety is multiplied other than sexually, except in pursuance of a valid United States plant patent; or

(10) instigate or actively induce performance of any of the foregoing acts.[4]

The certificate holder's IP rights extend not only to a protected variety itself, but also to any variety that is ''essentially derived'' or ''not clearly distinguishable'' from the protected variety and to any variety ''whose production requires the repeated use'' of the protected variety.[5] Generally speaking, any violation of these rights is considered an act of infringement.[6] However, unlike Plant Patent rights, a PVPA certificate holder's IP rights are significantly circumscribed by the ''crop'' and ''research'' exemptions, which are unique to the PVPA.[7]

The crop exemption allows farmers to save seeds descended from protected varieties for crop production purposes. Under this provision, a farmer could theoretically buy seeds of a new variety only once, and then plant generation after generation of the variety without providing further remuneration to the certificate holder.[8] But, in practice, the quality and stability of many varieties degrades over each generation, making seed saving less attractive than it otherwise would be. In 1994, Congress also narrowed this exemption to prohibit farmer to farmer sales of saved seeds, which had previously been permitted.[9]

The research exemption permits use and reproduction of a protected variety for plant breeding.[10] While this may sound like a significant hole in the scope of protection afforded by the PVPA, the exemption only allows the use of the protected variety in bona fide research. It does not permit the sale or distribution of the product of the research. Indeed, any new variety developed as a result of research performed under this provision could be deemed ''essentially derived'' or ''not clearly distinguishable'' from the protected variety, and thus within the scope of the certificate holder's IP rights.[11]

Application of the Plant Variety Protection Act

To date, there have been relatively few PVPA actions filed in U.S., especially when compared to the number of patent suits filed on a yearly basis. The relative dearth of PVPA suits may be in part due to the law's exemptions, but that may soon change. Recent court decisions and legislation have limited the scope of the PVPA's exemptions while broadening the enforcement provisions of the law. And there has been an uptick in the issuance of Certificates of Protection for corn, soybean, potato, cotton, wheat, lettuce varieties, and turf grass, among others.[12] Moreover, several companies have initiated enforcement campaigns within the past few years.

For example, in 2009, AGSouth Genetics LLC sued Georgia Farm Services LLC (GFS) for infringing a PVPA certificate covering the novel wheat variety, AGS 2000.[13] The U.S. District Court for the Middle District of Georgia held a trial in 2013 in which the jury returned a verdict of willful infringement, in favor of AGSouth. Shortly after trial GFS stipulated to a consent decree banning it from any further propagation and sale of AGSouth's protected variety, which the court entered. The court also awarded more than $300,000 in attorneys' fees and costs to AGSouth.

In 2012, Kansas Wheat Alliance Inc. (KWA) filed suit against Thunderbird Seed Conditioning LLC and its affiliates for infringement a PVPA certificate on the

[2] *As-grow Seed Co. v. Winterboer*, 513 U.S. 179, 181, 33 U.S.P.Q.2d 1430 (1995).
[3] *Id.*
[4] 7 U.S.C. § 541(a).
[5] *Id.* § 2541(c).
[6] *Id.*
[7] *Id.* § § 2543, 2544.
[8] *Id.* § 2543.
[9] *As-grow Seed*, 513 U.S. at 185 n.2.
[10] *Id.* § 2544.
[11] *See id.* § 2541(c).
[12] Plant Variety Protection Office List of Protected Varieties (2012).
[13] *AGSouth Genetics, LLC v. Georgia Farm Services LLC*, No. 09-cv-00186-WLS (M.D. Ga.).

  PTCJ ISSN 0148-7965

Danby white wheat variety in the District of Colorado.[14] KWA alleged that Thunderbird was ''conditioning'' Danby seed (that is, cleaning debris from harvested seed) in violation of Section 2541(a)(7) of the PVPA, 7 U.S.C. § 2541(a)(7), which deems conditioning infringement unless it is for an exempt purpose. Thunderbird filed for summary judgment that it had not infringed, but the court denied the motion and set the case for trial. The parties later settled and stipulated to a consent decree, which enjoined Thunderbird from conditioning seed in violation of KWA's rights under the PVPA.

Turfgrass Group Inc. filed multiple infringement actions to enforce its PVPA rights in centipede grass in the last four years.[15] In one action, filed in 2010, Turfgrass Group sued Northeast Louisiana Turf Farms LLC in the Western District of Louisiana. After the close of discovery, Turfgrass Group moved for partial summary judgment and prevailed on certain PVPA and Lanham Act claims, leaving several other disputed issues for trial. Shortly thereafter, the parties settled. Their consent decree awarded Turfgrass Group $227,000 in damages and required that defendant destroy all infringing sod and seed within 30 days.

Final Thoughts

The PVPA is an often overlooked form of IP protection for plants. Recent infringement actions, while not as numerous as patent infringement actions, demonstrate that PVPA certificates can be a powerful and effective tool in litigation. As the number of enforcement actions seems likely to increase given the large number of recently issued certificates, the PVPA may finally be providing the clearly defined and enforceable intellectual property rights envisioned by UPOV.

---

[14] *Kan. Wheat Alliance, Inc. v. Thunderbird Seed Conditioning, LLC*, No. 12-cv-01171-MEH (D. Colo.).

[15] *Turfgrass Group, Inc. v. Northeast La. Turf Farms, LLC*, No. 10-cv-1354-JTT (E.D. La.).