

18 May 2022

Corporate Governance and Intellectual Property Policy
Ministry of Business, Innovation & Employment
Wellington

By email: pvractreview@mbie.govt.nz

Re: Exposure draft of Plant Variety Rights Regulations and proposed changes to fees

1 Introduction

- 1.1 The New Zealand Law Society | Te Kāhui Ture o Aotearoa (**Law Society**) welcomes the opportunity to provide feedback on the exposure draft of the Plant Variety Rights (**PVR**) Regulations and proposed changes to fees under the PVR regime.
- 1.2 This submission has been prepared with the assistance of the Law Society's Intellectual Property Law Committee.¹

2 Feedback on proposed PVR Regulations

General provisions (regulations 3, 7-34 and 37, and schedule 3)

- 2.1 Regulation 13(1) requires information and documents that are to be provided in the "prescribed manner" to be given through the case management facility and in a file format of a type approved by the Commissioner. However, the regulations do not specify any information or documents which must be provided in a prescribed manner and we query whether this provision is in fact needed.
- 2.2 Regulation 16 requires the number of the PVR application, or the PVR, to be included in all information and documents filed under the Plant Variety Rights Act (**Act**) or regulations. This provision should be amended to make an exception for the PVR application form itself, which cannot include an application number before it has been assigned one. The regulations should also provide an exception for any propagating material that is to accompany a PVR application in accordance with regulation 37 (or alternatively, regulation 37 should be amended to clarify that propagating material can be provided after an application is filed and an application number has been assigned).
- 2.3 Regulation 19(1) provides that the Commissioner may require an additional copy (or copies) of any information or document that is filed. This regulation is unnecessary as documents which are filed electronically can easily be reproduced electronically by the Commissioner.

¹ More information regarding this Committee is available on the Law Society's website: <https://www.lawsociety.org.nz/branches-sections-and-groups/law-reform-committees/intellectual-law-committee/>.

Regulation 19 only requires one section which provides that the Commissioner may require documents that are filed electronically to be provided in hardcopy, or in a different format.

Recognising certain persons as agent (regulation 31)

- 2.4 The PVR scheme has, since its inception, been used by many small and medium-sized enterprises (**SMEs**) acting as their own agents and as agents for overseas breeders with whom they have a commercial relationship. These SMEs may be unfamiliar with the proposed procedural changes, as well as the case management system now provided for in the regulations. As a result, they may require some training in order to be able to discharge their functions as ‘agents’.
- 2.5 Regulation 31(2) provides that the Commissioner may refuse to recognise a person as an agent for a number of reasons, but lack of knowledge/training is not among the listed reasons. In contrast, Australian legislation requires every applicant to nominate an approved person (i.e., an agent) who has been accredited by the Registrar of Plant Breeder’s Rights.²
- 2.6 We do not hold a view as to whether New Zealand legislation should similarly require applicants to nominate an agent. However, given the extent of the powers that will be granted to agents by these regulations,³ we consider that regulation 31(2) should be amended to allow the Commissioner to refuse to recognise as an agent, any person who:
- (a) is not a lawyer; or
 - (b) has not undergone appropriate training (for example, training similar to that undertaken by Qualified Persons in Australia).

Provisions relating to PVR applications (regulations 35-44 and 48)

- 2.7 The Law Society has previously raised concerns regarding the ability of the IPONZ computer system to accurately reproduce coloured photographs which are submitted digitally.⁴ Regulation 36 requires a “satisfactory” photograph to be filed, but there ought to be a further requirement for the photograph to be accurately reproduced by IPONZ.
- 2.8 Regulation 93 grants the Commissioner the power to temporarily waive requirements for filing PVR applications, provided the applicant takes necessary actions to comply with relevant regulations “as soon as practicable after the application is filed”.⁵ The regulations could be improved by prescribing a timeframe for the applicant to take necessary actions to comply with the relevant regulations (rather than being required to do so “as soon as practicable after the application is filed”).

² Section 26(2)(i) of the Plant Breeders’ Rights Act 1994 (Australia) requires an application for a plant breeder’s right to contain the name of an “approved person” who will verify the particulars in the application, supervise any test growing and verify descriptions of the plant variety. Section 8 of this Act requires an “approved person” to be designated as such by the Registrar.

³ For example, regulation 28 provides that an agent may act for their principal in any proceeding in accordance with the regulations or take any step (including the signing of documents) on behalf of the principal.

⁴ Law Society submission on MBIE’s *Plant Variety Rights Act 1987: Proposed Regulations* consultation paper, at page 2 (copy available here: <https://www.lawsociety.org.nz/assets/Law-Reform-Submissions/Plant-Variety-Rights-Act-1987-proposed-regs.pdf>).

⁵ Regulation 93(1).

- 2.9 The Commissioner should also have the power to extend this timeframe if it is not practicable to comply with the relevant regulations in the prescribed period (for example, if an application is to be accompanied by propagating material which is being sourced from a specific region and it is out of season for sourcing that material).

Opposition to grant of a PVR (regulations 45-47)

- 2.10 Regulation 46(1) should be amended to refer to section 49(2)(b)(i) of the Act only. Section 49(2)(b)(ii) provides that all oppositions other than those relating to denominations can be filed at any time before grant.

Cancellation, nullification and surrender of PVRs (regulations 52-58)

- 2.11 Regulations 52 to 54 set out the procedure for determining applications for cancellation or nullification of a PVR. The procedure involves making a determination based on evidence, usually in the form of documents. However, it may be necessary to conduct growing trials to provide the evidence that the variety in question is distinct, uniform or stable.
- 2.12 In recognition of this requirement, the Plant Breeders' Rights Act 1994 (Australia) provides that the Registrar may require test growing of plants to determine:⁶
- (a) if a plant variety is eligible for the grant of a plant breeder's right;
 - (b) an objection to a pending application; or
 - (c) a revocation request.
- 2.13 Under the proposed New Zealand legislation, the Commissioner will have the power, under section 69(2) of the Act, to request the PVR holder to provide propagating material for the purpose of exercising the Commissioner's functions, duties, or powers under the Act. The Commissioner would determine if a variety is no longer uniform and stable (section 76(1) of the Act) or novel and distinct (section 76(2) of the Act). Growing trials may be required to undertake this exercise, but the time limits set out in regulation 53 make no allowance for establishing trials or setting realistic timetables for doing so.
- 2.14 The regulations should therefore provide that the Commissioner, in consultation with the parties, should be able to set the conditions for a trial and a timetable for conducting the trial if a trial is required to determine if the plant variety is uniform and distinct, or if the variety was no longer distinct at the date of the application.

Restoration of lapsed PVR applications and cancelled PVRs (regulations 59-70)

- 2.15 Section 95 of the Act and regulation 65 set out the process for making an application to restore a cancelled PVR, and permit applications to be made by the person who was the PVR holder immediately before it was cancelled (the **grantee**).⁷
- 2.16 A grantee cannot make an application for restoration or file evidence (as required under regulation 65(2)) if they have assigned the PVR to an assignee before it lapsed, or if the grantee has since been wound up. In the context of lapsed patents, practitioners have

⁶ Plant Breeders' Rights Act 1994 (Australia), section 37.

⁷ Section 95(1) of the Act and regulation 65(4).

observed that the failure to pay a renewal fee is not uncommon where multiple patents are being assigned at the same time, and similar circumstances may arise where multiple PVRs are being assigned at the same time.

- 2.17 It should therefore be possible for an assignee to make an application for restoration where the assignment is recorded at the time the application is made. There is no policy reason to suggest that a restoration application must only be made by a grantee, when an assignee similarly has the motivation to make such an application, and the grantee has disposed of the grant, or no longer legally exists.

Compulsory licences (regulations 71-75)

- 2.18 Section 111(3) of the Act states that the procedures for amending or revoking a compulsory licence may be set out in the regulations. However, the regulations do not prescribe any procedures apart from a requirement for applications to include the name and address (including address for service) of the applicant and “sufficient information to enable the Commissioner to identify the compulsory licence to which the application relates to”.⁸ Given the elaborate procedures in regulations 71 to 74 for granting a compulsory licence, it seems inconsistent not to provide for the procedure for amending or revoking a compulsory licence. We invite therefore officials to consider including appropriate regulations to address this gap.
- 2.19 Regulation 71 prescribes the matters which must be included in an application for a compulsory licence for a protected variety (regulation 71(1)), and requires the applicant and the Commissioner to send a copy of the application to the PVR holder (regulation 71(2)). There does not seem to be any need for the applicant to send a copy of the application to the PVR holder because the Commissioner is required to send a copy to the PVR holder, and the time for filing a counterstatement starts when the PVR holder receives the copy that is sent by the Commissioner.⁹ Additionally, the PVR holder is not required to send a copy of the counterstatement to the applicant. The words “applicant and the” should therefore be deleted from the first line of regulation 71(2).
- 2.20 Lastly, we note that the reference to “holders” in regulation 74(4) should be corrected to “holder’s”.

PVR register (regulations 76-88)

- 2.21 Regulation 79(2)(a), which would allow the Commissioner to refuse access to the PVR register on the ground of it being not practical to provide such access, is indeterminant and open to misuse. We query whether this provision simply seeks to delay access to the register in the event of a natural disaster, a pandemic, a fire, or the like (rather than prevent access altogether). We also note that the information contained within the register is likely to be ‘official information’ (as defined in the Official Information Act 1982 (OIA)) which will need to be made available in response to a request is made under that Act. We therefore invite officials to consider amending these regulations to clarify that requests may be delayed in

⁸ Regulation 75.

⁹ Regulation 72(1).

certain circumstances, but not refused (unless there is a valid reason to refuse a request under the OIA).

- 2.22 Section 132(c) of the Act provides that the Commissioner must provide “any prescribed information concerning a PVR or PVR application” if that information is requested in the “prescribed manner”. This provision appears to envisage a broad range of information being requested (and disclosed). However, regulation 80 appears to limit the information that can be provided under 132(c),¹⁰ and we invite officials to consider if this is intentional, and if so, appropriate.

Proceedings before the Commissioner (regulations 95-118)

- 2.23 Regulation 102 should provide for a halt in proceedings if the Commissioner has determined that a growing trial is necessary (as discussed at paragraphs 2.11 to 2.14 above). The time limits should be set according to the time needed for the trial to be completed (noting that this will vary considerably depending on the type of variety).

3 Proposed changes to fees

- 3.1 The Law Society does not have any feedback on the quantum of the proposed fees. That is a matter for the direct users of the system. However, it welcomes the disclosure of how the PVR scheme has been funded¹¹ and agrees with the objectives listed in MBIE’s *Review of Plant Variety Rights Fees* discussion document (**Discussion Document**).¹²
- 3.2 It is apparent from Table 1, on page 16 of the Discussion Document, that the annual deficit of the PVR Office is unsustainable. The shortfall has been cross-subsidised by the IPONZ Memorandum Account (i.e., fees paid by the users of the patents, trade marks and designs regimes).¹³ The proposal to provide Crown funding to partially make up the annual deficit, and to fund the operation of the Māori Plant Varieties Committee is a policy decision on which the Law Society offers no opinion. However, we note that the proposals set out in the Discussion Document appear to be properly researched, and the future operation of the PVR scheme will determine how the fee structure operates in practice.
- 3.3 We would be happy to discuss this feedback further, if that would be helpful. Please feel free to contact me via the Law Society’s Law Reform & Advocacy Advisor, Nilu Ariyaratne (Nilu.Ariyaratne@lawsociety.org.nz).

Nāku noa, nā



David Campbell
Vice-President

¹⁰ Regulation 80 prescribes the types of information that may be requested under section 132(c).

¹¹ *Review of Plant Variety Rights Fees* (New Zealand Intellectual Property Office, March 2022) at pages 13-18.

¹² Above n 11, at page 13.

¹³ Above n 11, at page 17.