



Australian Government

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**Buchanan Turf Supplies Pty Ltd
133 Flat Road
Bolwarra NSW 2320**

Dear Sir

Notice of Satisfaction of Rebuttal of *Prima Facie* Case under section 40(11)(a) of the *Plant Breeder's Rights Act 1994*

1. This is a notice of a decision under section 40(11)(a) of the *Plant Breeder's Rights Act, 1994*, (the Act) on your application for a declaration of essential derivation, which claimed that *Stenotaphrum* 'Kings Pride' was an essentially derived variety (EDV) of *Stenotaphrum* 'Sir Walter'.
2. As you are the PBR grantee of 'Sir Walter', this letter is notice that your application for a declaration of essential derivation has not been successful as the Chief of PBR¹ is satisfied that the *prima facie* case, previously established on 4 April 2007, has been rebutted, as per section 40(11)(a) of the Act.
3. Note that under 40(3) of the Act, a decision on the Application for a declaration of essential derivation could not be made until 'Kings Pride' was granted PBR. 'Kings Pride' was granted PBR on 20 December 2007.

Background

4. Briefly the background is as follows:
 - a) Your application for a grant of PBR for the *Stenotaphrum* variety 'Sir Walter' was received on 25 October 1996. The variety's detailed description was published in the *Plant Varieties Journal* on or about 31 August 1997 and the grant of rights finalised on 27 March 1998 with certificate number 1028. If not

¹ Please note that the Chief of PBR has been delegated the Secretary's powers in relation to this decision, under section 59 of the Act.

before, 'Sir Walter' was a variety of common knowledge from 25 October 1996 onwards.

- b) An application from J and S Gardiner Investments Pty Ltd for a grant of PBR for the *Stenotaphrum* variety 'Kings Pride' was received on 28 November 2005. The variety's detailed description was published in the *Plant Varieties Journal* on or about 4 August 2006. An objection as to the distinctiveness of 'Kings Pride' from a variety known as 'Coastal Turf' was received on 20 December 2006. A decision to not uphold the objection was made on 20 February 2007. A consequential requirement to publish a corrigendum in the *Plant Varieties Journal* resulted in a further statutory six month period for public comment before 'Kings Pride' could be considered for a grant of rights. No further objections were received and the grant of rights were finalised on 20 December 2007 with certificate number 3430.
- c) On 9 March 2007 IP Australia received your application for a declaration of essential derivation which claimed that *Stenotaphrum* 'Kings Pride' was an essentially derived variety (EDV) of *Stenotaphrum* 'Sir Walter'. The reasons given in the application were:

"Upon request by several commercial turf producers in Australia that "Kings Pride" appeared to be identical to "Sir Walter" I then commenced some on farm visual test and established that "Kings Pride" was unable to exhibit any important (as distinct from cosmetic) that differentiate it from "Sir Walter".

From this I was not satisfied with the "questionable" methods used to establish the "claimed" points of difference in the "Kings Pride" PBR application.

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"Sir Walter" and "Kings Pride" to be identical with "Sapphire and Matilda" to display significant DNA differences.

From this report it shows that under intense DNA separation "Kings Pride" appears to be identical to "Sir Walter" and in our opinion does not qualify for protection under the "Plant Breeders Rights Act"

- d) On 4 April 2007 the Chief of PBR found there was a prima facie case that the second variety, 'Kings Pride', could be an essentially derived variety of the initial variety, 'Sir Walter' and that the EDV Claim sets out:
- 1) 'Kings Pride' is predominantly derived from 'Sir Walter'
 - 2) 'Kings Pride' retains the essential characteristics that result from the genotypes or combination of genotypes of 'Sir Walter'
 - 3) 'Kings Pride' does not exhibit any important (as distinct from cosmetic) features that differentiate it from 'Sir Walter'. A genomic and morphological analysis provided in support of the claim failed to differentiate 'Kings Pride' from 'Sir Walter' in any of the primers used.
- e) Following the procedure set out in section 40 of the Act, the Chief of PBR contacted J and S Gardiner Investments Pty Ltd on 4 April 2007 and invited them to establish that the second variety was not an essentially derived variety of the initial variety.

- f) On 23 April 2007 Turfgrass Scientific Services Pty Ltd, acting on behalf of J and S Gardiner Investments Pty Ltd, requested an extension of time to provide documentation rebutting the EDV claim.
- g) On 23 April 2007 the Chief of PBR agreed to an extension until COB 2 July 2007.
- h) On 2 July 2007 Turfgrass Scientific Services Pty Ltd presented information in rebuttal of the EDV claim, including evidence of morphological and physiological differences between ‘Kings Pride’ and ‘Sir Walter’.

Legislation relating to essential derivation

- 5. The applicable legislation relating to declarations of essential derivation is set out in sections 3, 4, 40 and 41 of the Act.

Section 3- Definitions

essential characteristics, in relation to a plant variety, means heritable traits that are determined by the expression of one or more genes, or other heritable determinants, that contribute to the principal features, performance or value of the variety.

Section 4 - Definition of essentially derived varieties

A plant variety is taken to be an essentially derived variety of another plant variety if:

- (a) *it is predominantly derived from that other plant variety; and*
- (b) *it retains the essential characteristics that result from the genotype or combination of genotypes of that other variety; and*
- (c) *it does not exhibit any important (as distinct from cosmetic) features that differentiate it from that other variety.*

Section 40 - Applications for declarations of essential derivation

(1) If:

- (a) *a person is the grantee of PBR in a particular plant variety—(the initial variety); and*
 - (b) *another person is the grantee of, or has applied for, PBR in another plant variety (the second variety); and*
 - (c) *the grantee of PBR in the initial variety is satisfied that the second variety is, within the meaning of section 4, an essentially derived variety of the initial variety; and*
 - (d) *the initial variety has not itself been declared to be an essentially derived variety of another variety in which PBR has been granted;*
- the grantee of PBR in the initial variety may make written application to the Secretary for a declaration that the second variety is so derived.*

(2) Nothing in this section implies that a person who is the grantee of PBR in the initial variety may not, in relation to an application by another person for PBR in the second variety that has been accepted but not finally determined:

- (a) *make an objection, under section 35, to the granting of PBR in the second variety; and*
- (b) *in the alternative, if PBR is granted to another person in the second variety—apply under subsection (1) for a declaration that the second variety is essentially derived from the initial variety.*

(3) If the second variety:

(a) is the subject of an application for PBR; and
(b) is also the subject of an application for a declaration of essential derivation;
then, unless and until the Secretary decides to grant the application for PBR:
(c) the Secretary must not make the declaration of essential derivation; but
(d) the Secretary may, in his or her discretion:
(i) examine both the application for PBR and the application for a declaration of essential derivation at the same time; and
(ii) for the purpose only of examining the application for a declaration of essential derivation—
treat the applicant for PBR as the grantee of PBR in the variety.

(4) An application for a declaration of essential derivation must:

- (a) be in writing; and
- (b) be in an approved form; and
- (c) be lodged with the Secretary in a manner set out in the approved form; and
- (d) be accompanied by the prescribed fee in respect of the application.

(5) An application must contain such information relevant to establishing a prima facie case that the second variety is an essentially derived variety of the initial variety as is required by the form.

(6) If the initial variety has itself been declared to be essentially derived from another variety, the Secretary must refuse to declare the second variety essentially derived from:

- (a) the initial variety; and
- (b) inform the applicant for the declaration in writing, to that effect, and give the applicant reasons for the decision.

(7) If the initial variety has not been so declared, the Secretary must determine, on the basis of the application, whether the Secretary is satisfied that there is a prima facie case that the second variety is an essentially derived variety of the initial variety.

(8) If the Secretary is satisfied of that prima facie case, the Secretary must:

- (a) inform the applicant and the grantee of PBR in the second variety that the Secretary is so satisfied; and
- (b) inform the grantee of PBR in the second variety that, unless the grantee establishes, within 30 days after being so informed or such longer period as the Secretary allows, that the second variety is not an essentially derived variety of the initial variety, the Secretary will, at the end of that period, declare the second variety to be such an essentially derived variety.

Note: A decision under this subsection to refuse to extend the period of 30 days is reviewable by the AAT under section 77.

(9) If the Secretary is not satisfied of that prima facie case, the Secretary must inform the applicant, in writing, to that effect, and give the applicant reasons for the decision.

(10) If, after considering:

- (a) the information presented by the grantee of PBR in the second variety; and
 - (b) any information obtained from a test growing conducted in accordance with section 41; and
 - (c) any other relevant information obtained by the Secretary;
- the Secretary is not satisfied that the grantee of PBR in the second variety has rebutted the prima facie case, the Secretary must:

- (d) declare, in writing, that the second variety is an essentially derived variety of the initial variety; and
- (e) by notice in writing given to the grantee of PBR in the initial variety, tell that grantee of the declaration; and
- (f) by notice in writing given to the grantee of PBR in the second variety, tell that grantee of the declaration and set out the reasons for not being satisfied that the prima facie case has been rebutted.

(11) If, after considering the information referred to in paragraph (10)(a), (b) or (c), the Secretary is satisfied that the grantee of PBR in the second variety has rebutted the prima facie case, the Secretary must:

(a) by notice in writing given to the grantee of PBR in the initial variety, tell that grantee that he or she is so satisfied and set out the reasons for being so satisfied; and

(b) by notice in writing given to the grantee of PBR in the second variety, tell that grantee that he or she is so satisfied.

(12) While a declaration that the second variety is essentially derived from the initial variety remains in force, section 19 applies in relation to the second variety as if:

(a) the references in that section to the grantee, in relation to that variety were references both to the person holding PBR in that variety and to the person holding PBR in the initial variety; and

(b) the reference in subsection 19(4) to 2 years after the grant of PBR were a reference to 2 years after the grant of PBR in the second variety whether or not the declaration of essential derivation was made at the same time or a later time; and

(c) a failure by the other person holding PBR in the initial variety or the person holding PBR in the second variety to co-operate in making the second variety available to the public in accordance with the requirements of subsection 19(1) was a failure of the grantee to comply with the requirements of that subsection.

Note: A decision under this section to declare, or not to declare, a plant variety essentially derived is reviewable by the AAT under section 77.

Findings on Material Questions of Fact

6. The Chief of PBR finds that:

- a) The Register of Plant Varieties records you as the grantee of ‘Sir Walter’, the initial variety purported in your EDV application.
- b) The Register of Plant Varieties records that ‘Kings Pride’ has been granted PBR on 20 December 2007.
- c) The purported initial variety has not itself been declared an EDV.
- d) As per subsection 4(a) of the Act, the EDV application has not established that ‘Kings Pride’ is predominantly derived from ‘Sir Walter’. The report² provided with the EDV application did not separate ‘Kings Pride’ from ‘Sir Walter’ based on the primers used. This could be taken as evidence that these two varieties are closely related. It does not, however, establish that one is derived from the other.

At 17(iii) of the ‘Kings Pride’ PBR application the following information was given on the name of the maternal parent or source germplasm/variety:

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² Identification by Genomic and Morphological Analysis of Four Varieties of Buffalo Grass, 2007, J.N. Harris and P.M. Martin, University of Sydney, Plant Breeding Institute.

In rebutting the EDV claims the grantee of 'Kings Pride' acknowledges that it is likely 'Kings Pride' and 'Sir Walter' share a common genetic background. However, they also assert that 'Kings Pride' was not selected from an existing stand of 'Sir Walter'.

- e) Based on their detailed descriptions published in the *Plant Varieties Journal*, the varieties are similar and in particular, 'Sir Walter' was nominated as one of the most similar varieties of common knowledge for the 'Kings Pride' description.
- f) As the EDV application did not establish that 'Kings Pride' is predominantly derived from 'Sir Walter' it is also, by default, not established that 'Kings Pride' retains the characteristics that result from the genotype or combination of genotypes of 'Sir Walter', as per subsection 4(b) of the Act. Since, for that to be the case, it would need to be predominately derived from 'Sir Walter'.

Nevertheless, in considering Subsection 4(b) it was noted that it does not make reference to the distinctness of the varieties. Rather it refers to the essential characteristics as defined in Section 3. Thus while 'Kings Pride' shares many of the same characteristics as a result of its presumed common parentage to 'Sir Walter', the expression of some of these differs (eg plant vigour, internode length and stolon length). In particular, the features of stronger plant vigour, longer internode and stolon length are present in 'Kings Pride' when compared to 'Sir Walter'. The presence of these distinct features was confirmed through the analysis of comparative data from the examination that preceded grant of 'Kings Pride' by the Plant Breeder's Rights Office. The rebutter's test growing also supports these comparative findings.

- g) On balance, sufficient evidence has been presented to conclude that, on average, 'Kings Pride' has comparatively stronger plant vigour, longer internode length and longer stolon length than 'Sir Walter'.
- h) Pursuant of subsection 4(c) of the Act, it is established that 'Kings Pride' exhibits important (as distinct from cosmetic) features that differentiate it from 'Sir Walter'. It is widely documented and generally accepted that plant vigour, internode length and stolon length are important (as distinct from cosmetic) features for a turfgrass variety such as 'Kings Pride'. The state of expression of these features is often considered in turfgrass breeding. The combination of these characteristics (whether stronger or weaker vigour, longer or shorter internodes) determines the suitability of the new variety for particular uses. Several academic sources citing the importance of some of these features were referenced, including:

- Martin, Dennis. *OSU Bermudagrass Breeding and Development Program Update May 23, 2002*, Oklahoma State University, Stillwater, 2002³

³ http://home.okstate.edu/Okstate/dasnr/hort/hortlahome_nsf/toc/martin2, accessed 5.12.2007.

- Busey, P. 2003. “St. Augustinegrass”. Casler, M. D., and Duncan, R. R. (eds.) *Biology, breeding, and genetics of turfgrasses*. John Wiley & Sons, Inc, Hoboken, NJ, pp. 309-330 (reprinted on the internet)⁴
- Karl Danneberger “Plant Anatomy” *Turfgrass Management and Science*, Ohio State University Department of Horticulture and Crop Science⁵
 - “Nodes are a key structure in turf recuperative ability from traffic-wear stress, environmental stress, and pests”.
- Douglas E. Karcher, Michael D. Richardson, Joshua W. Landreth, and John H. McCalla, Jr. “Recovery of Bermudagrass Varieties from Divot Injury”, *Applied Turfgrass Science*, Plant Management Network, 2005⁶.
 - “Density in bermudagrass is dictated primarily by stolon and rhizome internode length. As internode length decreases, more crowns are produced per unit area and these result in more growing points for leaves.”

Decision in relation to test growing

7. The Chief of PBR did not come to a view that a test growing or further test growing was necessary to determine whether the *prima facie* case had been rebutted (section 41(1)(c)). The Chief of PBR did not require further evidence obtainable by a test growing because comparative information was already available from supervised growing trials that had included both varieties.
8. In forming this view the Chief of PBR took account of evidence presented by the grantee of ‘Kings Pride’ which included data from a separate test growing commissioned by the grantee and performed by a qualified person.

Decision in relation to the making of a declaration of essential derivation

In making his decision the Chief of PBR considered the information presented by the grantee of PBR in ‘Kings Pride’; information in the application for the declaration of essential derivation; and all relevant information before him. The Chief of PBR, after reviewing and considering the material, was satisfied that the *prima facie* case was rebutted, as per section 40(11) of the Act and that on that basis the application for a declaration of essential derivation could not be supported.

Reasons for the decision

9. The Act requires that all paragraphs of section 4 of the Act be satisfied.

⁴ <http://turfscience.com/staugustine/> accessed 5.12.2007

⁵ <http://hcs.osu.edu/hcs570/handout1.html> accessed 5.12.2007

⁶ <http://www.plantmanagementnetwork.org/pub/ats/research/2005/divot/> accessed 5.12.2007.

10. The reason for the Chief of PBR's decision to reject your application for a declaration of essential derivation is that section 4 of the Act has not been satisfied. This section states:

Section 4 - Definition of essentially derived varieties

A plant variety is taken to be an essentially derived variety of another plant variety if:

- (a) ... it is predominantly derived from that other plant variety; and*
- (b) ... it retains the essential characteristics that result from the genotype or combination of genotypes of that other variety; and*
- (c) it does not exhibit any important (as distinct from cosmetic) features that differentiate it from that other variety.*

11. The Chief of PBR finds on balance there is insufficient evidence to conclude that 'Kings Pride' is predominately derived from 'Sir Walter'. Accordingly the Chief of PBR is satisfied the requirements of section 4(a) have not been met.
12. The Chief of PBR finds on balance there is sufficient evidence that the stronger plant vigour, longer internode length and longer stolon length of 'Kings Pride' are important (as distinct from cosmetic) features that differentiates it from 'Sir Walter'. Accordingly the Chief of PBR is satisfied the requirements of section 4(c) have not been met.

Your Rights of Review

13. Under sub-section 77 of the Act you may apply to the Administrative Appeals Tribunal (AAT) for a review of this decision. Under section 29(2) of the *Administrative Appeals Tribunal Act 1975* you must file within 28 days of the date upon which this notice of decision is received by you. If you need more information please ring your local AAT office on 1300 366 700. The address of the Tribunal is:

*AAT District Registrar
GPO Box 9955
in your Capital City
(except for residents of the Northern Territory who should write to Brisbane)*

14. There is an application fee of \$606 which may be waived in cases of financial hardship or refunded in some instances. Further information is available from the Tribunal

Rights of access to documents

15. Copies of two types of documents held by the Chief of PBR can be purchased under subsection 36(2) of the *Plant Breeder's Rights Act 1994*:
- a) applications for a plant breeder's right (PBR)-including detailed descriptions of plant varieties given in support of the applications; and
 - b) objections lodged in respect of applications for PBR.
16. You may also make an application for disclosure of documents under the *Freedom of Information Act 1982* (FOI Act). Enquiries about requests under the FOI Act should be directed to:

Information Access Unit

Phone: (02) 6283 2260

Email: FOI@ipaustralia.gov.au

Fax: (02) 6283 7999

All correspondence regarding access to documents under the FOI Act can be sent by post addressed to:

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20 December 2007