



Australian Government

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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* 'B12' 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 Registrar¹ is satisfied that the *prima facie* case, previously established on 7 June 2005, has been rebutted, as per section 40(11)(a) of the Act.

Background

3. 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 before, 'Sir Walter' was a variety of common knowledge from 25 October 1996 onwards.
 - b) An application from Todd Anthony Layt for a grant of PBR for the *Stenotaphrum* variety 'B12' was received on 26 November 2002. The variety's detailed description was published in the *Plant Varieties Journal* on or about 26 February 2003. No objections as to the distinctiveness of 'B12' from similar varieties of common knowledge was received and the grant of rights were finalised on 1 September 2003 with certificate number 2317. On 6 August 2004 the grantee assigned the PBR in 'B12' to Ozbreed Pty Ltd. It is noted that Mr Layt is also a principal in Ozbreed Pty Ltd and thus for simplicity, the applicant/grantee of 'B12' will be referred to as Ozbreed.

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

- c) On 13 May 2005 IP Australia received your application for a declaration of essential derivation that set out the following claims:

“Subsection 4(a). The application relating to the variety recently registered as "B12", clearly states that it originated from the open pollination of "Sir Walter" and then seedling selection to select a perceived distinct characteristic of greener and shorter internodes. The International Association of Plant Breeders for Protection of Plant Varieties (ASSINSEL) considers distinctness and essential derivation as separate issues. It states a new variety to be accepted as not essentially derived must be clearly distinct, not predominantly derived and be genetically different from the parent variety. As stated above "B12" is totally derived from "Sir Walter" and does not satisfy the first requirement.

“Subsection 4(b). When the data for the two main characteristics are looked at closely, taking into account the standard deviations, then the characteristics overlap significantly and suggest that these particular characteristics are not distinct. 'B12' retains essentially the same characteristics from its parent "Sir Walter".

*“Subsection 4(c). The characteristics claimed as being different (greener internode colour and shorter internode length) are not important but only cosmetic. In fact the trait of longer leaf length would be considered a loss in quality not an improvement. It is worthy to note here that the selection procedure took place in only one season. Also the trials to substantiate the morphological differences took place only over one spring summer period. Given the plastic nature of *Stenotaphrum* to its environment, any trial should have covered at least two full growing seasons and be carried out in different climatic zones to substantiate a true and consistent difference in a characteristic.”*

- d) On 7 June 2005 the Registrar found there was a *prima facie* case that the second variety, B12, could be an essentially derived variety of the initial variety, ‘Sir Walter’.
- e) Following the procedure set out in section 40 of the Act, the Registrar contacted Ozbreed on 7 June 2005 and invited them to establish that the second variety was not an essentially derived variety of the initial variety.
- f) On 16 June 2005 Ozbreed presented information in rebuttal of the EDV claim, including evidence of a growing trial that was performed by a person accredited under section 8 of the Act (aka a “qualified person”), the “rebutter’s test growing”, attached at “A”.

Legislation relating to essential derivation

4. 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

5. The Registrar finds that:

- a) The Register of Plant Varieties records you as the grantee of ‘Sir Walter’, the initial variety.
- b) The Register of Plant Varieties records that ‘B12’, has been granted PBR.
- c) The initial variety has not itself been declared an EDV.
- d) As per section 4(a), ‘B12’ is predominantly derived from ‘Sir Walter’. There was no dispute between the parties that ‘B12’ was predominantly derived from ‘Sir Walter’.
- e) Based on their detailed descriptions published in the *Plant Varieties Journal*, the varieties are similar and in particular, Ozbreed nominated ‘Sir Walter’ and ‘Shademaster’ as the most similar varieties of common knowledge and included information distinguishing all three varieties in the ‘B12’ description.
- f) As per section 4(b), ‘B12’ retains the characteristics that result from the genotype or combination of genotypes of ‘Sir Walter’. Subsection 4(b) does not make reference to the distinctness of the varieties. Rather it refers to the essential characteristics as defined in Section 3. Thus while ‘B12’ shares many of the same characteristics as a result of its origination from ‘Sir Walter’, the expression of some of these differs (eg internode length; internode colour). In particular, the feature of shorter internode length is present in ‘B12’ when compared to ‘Sir Walter’. The presence of this distinct feature was confirmed through the analysis of comparative data from both the initial examination that preceded grant of ‘B12’ by the Plant Breeder’s Rights

Office, see attached “B”. The rebutter’s test growing also supports this comparative finding.

- g) On balance, sufficient evidence has been presented to conclude that, on average, ‘B12’ has comparatively shorter internodes than ‘Sir Walter’.
- h) Pursuant of section 4(c), Ozbreed’s rebuttal argues that the feature of shorter internode length is considered to be an “important (as distinct from cosmetic) feature” for a turfgrass variety such as ‘B12’ because it increases thatch. Increased thatch leads to wear tolerance (eg. the grass will tolerate more traffic). Several academic sources citing the importance of internode length in turfgrass breeding were referenced, including:
- Martin, Dennis. *OSU Bermudagrass Breeding and Development Program Update May 23, 2002*, Oklahoma State University, Stillwater, 2002 ²
 - “As with most improved turf type bermudagrasses, the excellent winter shoot survival, high shoot density and shorter internode length of this grass may make it more prone to thatching under intensive management, so scout for thatch regularly.”
 - 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) ³
 - “Cultivars with shorter internodes have higher wear tolerance (Busey, 1991, unpublished data).”
 - Karl Danneberger “Plant Anatomy” *Turfgrass Management and Science*, Ohio State University Department of Horticulture and Crop Science⁴
 - “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, 2005⁵.
 - “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.”

The Registrar noted these academic sources and came to the view that shorter internodes were an “important (as distinct from cosmetic) feature” for a turfgrass variety such as ‘B12’ because it increases thatch.

Decision in relation to test growing

6. The Registrar 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 Registrar did not require further evidence obtainable by a test growing because

² http://home.okstate.edu/Okstate/dasnr/hort/hortlahome_nsf/toc/martin2, accessed 12.07.2005.

³ <http://turfscience.com/staugustine/> accessed 12.07.2005

⁴ <http://hcs.osu.edu/hcs570/handout1.html> accessed 12.07.2005

⁵ <http://www.plantmanagementnetwork.org/pub/ats/research/2005/divot/> accessed 12.07.2005.

comparative information was already available from supervised growing trials that had included both varieties.

7. In forming this view the Registrar took account of evidence presented by the grantee of 'B12' 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 Registrar considered the information presented by the grantee of PBR in 'B12'; information in the application for the declaration of essential derivation; and all relevant information before him. The Registrar, 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

8. The Act requires that all paragraphs of section 4 of the Act be satisfied.
9. The reason for the Registrar's decision to reject your application for a declaration of essential derivation is that section 4(c) 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) ...

(b) ...; and

(c) it does not exhibit any important (as distinct from cosmetic) features that differentiate it from that other variety.

10. The Registrar finds on balance there is sufficient evidence that the shorter internode length of 'B12' is an important (as distinct from cosmetic) feature that differentiates it from 'Sir Walter'. Accordingly the Registrar is satisfied the requirements of section 4(c) have not been met.

Your Rights of Review

11. 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)

12. 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

13. Copies of two types of documents held by the Registrar 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.

14. 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:

Angelo Anagnostis
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:

FOI Coordinator
Information Access Unit
PO Box 200
Woden ACT 2606
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D. Waterhouse
Registrar, Plant Breeder's Rights
7/9/2005

