



EUROPEAN UNION

COMMUNITY PLANT VARIETY OFFICE

DECISION
(N° A 4)

The competent Committee for determining questions relating to the nullity and cancellation of community plant variety rights has decided, pursuant to article 20(1)(a) of Council Regulation (EC) No 2100/94 (the Regulation), to **declare null and void** the right granted in relation to -

the variety: **PHASION** (Certificate number: EU **5045**)

of species: *Canna L.*

holder: **KEITH KIRSTEN'S (PTY)LTD.**
P.O.BOX 1458
ZA - JOHANNESBURG 2055 FOURWAYS

represented by: **ARDLEY JOHN**
D. Young & Co.
21 NEW FETTER LANE
UK - LONDON EC4A 1DA

Date: **6 November 2003**

Reasons for this decision are set out in the Annex.

Signed:

Bart Kiewiet

José Elena

Martin Ekvad

Taken under the authority of the President of the Office,

Bart Kiewiet

ANNEX

REASONS FOR THE DECISION TO DECLARE NULL AND VOID THE COMMUNITY PLANT VARIETY RIGHT GRANTED FOR PHASION

1. REQUEST

1. A petition of nullity dated 23 July 2002 was submitted by Mr William Keith Hayward, 27 Guildford Road West, Farnborough, Hants, GU146P6 England (hereinafter the “Petitioner”) relating to the Community plant variety right (“CPVR”) with registration number EU 5045 and with the variety denomination PHASION, regarding a *Canna L.* variety.
2. The ground to revoke the CPVR is firstly, that the present holder is not entitled to the CPVR for PHASION, secondly, that the variety did not fulfil the criteria for novelty when the CPVR was granted.

2. BACKGROUND AND FACTS

3. The CPVR application for the *Canna L.* variety with the denomination PHASION was given the file number 1997/1313 and the application date 14 November 1997.
4. In decision EU 5045 on 20 October 1999, the Office granted Community plant variety rights to Jan Harm Potgieter, South Africa, for PHASION. In the application, Potgieter was named as the breeder.
5. Potgieter has subsequently admitted that he was not the breeder and has in an agreement dated 9 April 2003, between himself, Mr Kirsten and Keith E. Kirsten Pty (Ltd) assigned his CPVR to Keith E. Kirsten Pty (Ltd). In the agreement, Mr Kirsten is identified as the breeder. The agreement was sent to the Office and on 28 April 2003, Keith E. Kirsten Pty (Ltd) was registered as holder (hereinafter the “Holder”) and Kirsten as the breeder. This information was published in the Gazette of the Office on 15 June 2003.
6. The first application for plant variety rights for PHASION was made in the Republic of South Africa. The application date for that application was 18 August 1994 and a plant variety right was granted on 27 February 1997. Applications have subsequently been filed and granted in at least Australia, Japan, New Zealand and the US.
7. In a petition for nullity of a CPVR, dated 23 July 2002, the Petitioner asked the Office to revoke the CPVR for PHASION pursuant to Article 20 of Council Regulation 2100/94.¹ The Petitioner argued that the Holder is not entitled to the CPVR for PHASION, and that the variety had been sold in Europe under the name DURBAN and in South-Africa under various names before the time limit required under the provisions on novelty.
8. After having been reassured by both the Petitioner and the Holder that PHASION and a canna variety with variegated leaves and orange flowers called DURBAN sold in Europe is the same variety, albeit with different denominations, the Office decided not to carry out a distinctness test.
9. The Office decided to organise a meeting at the Office on 1 October 2003 in order to clarify the events surrounding the variety in question.

¹ Council Regulation (EC) No 2100 of 27 July 1994 on Community plant variety rights, OJ L227, 1.9.94, p.1

10. It should also be mentioned that there is an ongoing case in South Africa relating to the same and/or similar issues as raised by the Petitioner in this case. The High Court of South Africa (Cape of Good Hope Provincial Division) delivered a judgment on 22 April 2002. In a court order on 12 September 2002, the Supreme Court of Appeal of South Africa granted leave of appeal. The case is thus still pending.
11. The plant breeder's right registration of PHASION in South Africa has also been challenged at the PBR Registrar in South Africa. However, as it seems, the Registrar is not dealing with the objection awaiting the judgment from the Supreme Court of Appeal.

3. OBSERVATIONS PRESENTED BY THE PARTIES

3.1 Origin of the variety

South Africa

The Petitioner

12. The Petitioner submits that the variety has its origin in Rhodesia, now Zimbabwe. The variety was generally known and was growing in a home garden of a person called Mr Rademeyer in the city of Bulawayo. The plants were already in the garden in 1955 when Rademeyer moved in to the house. In 1961 Rademeyer moved to the city of Hilton in South Africa. He brought plants of the canna and planted them in his new garden. He also gave many plants to friends and relatives.
13. The Petitioner submits that Theunie Kruger at Bethal Nursery obtained some rhizomes of the variety from a friend in Rhodesia in 1969 (it is not alleged that Kruger got the variety from Rademeyer). He planted them in his garden and they were sold from Kruger's Nursery ever since. In 1976, Kruger opened another branch in Standerton, where the variety was propagated and sold till today under the name Red Leaved Variegated Canna. Louis Kruger, the nephew of Theunie Kruger, later became the owner of Kruger Nursery in Standerton.
14. It is further submitted that in 1991, Kirsten visited Mr T. Kruger in the Bethal nursery. Kruger showed Kirsten around in his garden and showed him the canna in question. Kruger gave Kirsten approximately 15-20 plants which Kirsten took home. In 1993 Kruger died and his nursery was taken over by Louis Kruger.
15. The Petitioner claims that in 1994, Kirsten gave Morgenzon Nursery consent to apply for plant variety protection in South Africa. The application date was 18 August 1994 and plant variety right was granted on 27 February 1997. In the application, Jan Potgieter was claimed to be the breeder. The plant variety right was subsequently transferred to Keith E. Kirsten Pty (Ltd).
16. The Petitioner submits that on 7 April 1995, Jan Plant (the same person as Potgieter) and the Holder entered into a license agreement in which Potgieter was described as the breeder.
17. It is also alleged by the Petitioner that the Holder entered into a worldwide license agreement with Mr Tesselaar. Plant variety right applications were filed in various countries and Potgieter's name was used as the original breeder.

18. The plant breeder's right for PHASION in South Africa was challenged when Weltevrede Nursery (PTY) Limited was sued for plant variety right infringement by the holder in South Africa. The nursery, represented by Mr Breugem, had sold the variety despite the fact that it was protected. To his defence, he argued that a plant variety right should not have been granted because the variety was not new at the time of the application.

The Holder

19. The Holder claims that Kirsten discovered the variety in the private garden of Kruger before commercially exploiting it with the consent of Kruger.

The UK/Europe

The Petitioner

20. The Petitioner submits that the variety was introduced to the UK separately by two nurserymen, Brian Hiley and Ian Cooke. The variety was subsequently commercialised in the UK.
21. The Petitioner submits that the variety at the RHS garden (Royal Horticultural Society garden in the UK) was obtained from Hiley on 1 November 1994. It is argued that Hiley was given the variety from Sean Walter in 1993 when Walter, from South Africa, visited the UK. Walter had got the variety from his mother Elize Jackson, who in turn had bought the variety from Kinrah Nursery, owned by a certain Mr Rasmussen. The Petitioner submits that it is likely that Mr Rasmussen got the variety from Mr Rademeyer's property in Hilton.

The Holder

22. The Holder submits that there had been some private illegal importation to the UK. The Holder does not contest that plants of an orange flowered variety could be found in Europe at the time of the CPVR application. The Holder agrees that the variety in the RHS garden is the same variety as PHASION.

3.2 The Breeder

23. There is no dispute that Potgieter is not the breeder. In the court proceedings in South Africa, Potgieter admitted that he gave a false declaration that he was the breeder.
24. In a memorandum of agreement between Potgieter, Kirsten and the company Keith Kirsten's (PTY) Ltd dated 9 April 2003, it is agreed that the CPVR to PHASION should be assigned to Keith Kirsten's (PTY) Ltd.

The Petitioner

25. The Petitioner argues that such an agreement can not be valid firstly because Potgieter was not the breeder and can thus not transfer the right, secondly the CPVR has not been assigned to the person entitled to the right.

26. The Petitioner argues that Kirsten did not discover the variety. The variety was shown to him by Kruger in Kruger's garden. He made no changes, manipulations or developments. The claim that Kirsten developed the variety by making an unknown plant into a famous one is not development but marketing. The fact that Kirsten claimed to be the breeder because he made a few plants into thousands of plants is not breeding but multiplying.
27. The Petitioner refers to a document prepared by a committee established by UPOV entitled "Notion of Breeder and Common Knowledge" dated 19 April 2002, paragraph 16, where "*discovery*" is described as the activity of "*selection within natural variation*" and "*development*" is described as "*propagation and evaluation.*"
28. The Petitioner also questions why Kirsten entered into an agreement with Potgieter on 7 April 1995 in which Potgieter was described as the breeder if Kirsten himself was the breeder.

The Holder

29. The Holder claims that Kirsten is the breeder and relies on the judgement from the court case in South Africa.
30. The Holder also argues that even if Kruger was the breeder, Kruger had given Kirsten consent, orally, to do what he wished with the variety, and that this consent would include the right to apply for a CPVR.
31. In the meeting at the Office on 1 October 2003, Kirsten explained that Potgieter, the son in law of Kruger, was mentioned as the breeder in the various applications, since Kirsten felt that he owed this to the family Kruger due to the fact that the variety was originally given to him by Kruger.

3.3 Distinctness

The Petitioner

32. The Petitioner has throughout the written procedure argued that there is only one canna variety with variegated leaves and orange flowers, albeit called different names.

The Holder

33. In relation to the question of distinctness the Holder states that there is only one canna variety with variegated leaves and orange flowers, but has in a written response to allegations from the Petitioner that the variety is not novel, given some indications that there is no evidence that alleged sales of an orange flowered canna is sales of the same variety as the PHASION variety.
34. During the meeting at the Office on 1 October 2003, the Holder did not question that there is only one orange leaved canna variety.
35. As regards South Africa, the Petitioner and the Holder seem to agree that there is only one canna variety with variegated leaves and orange flowers in that country. This is supported on page 13 of the judgement from South Africa, in which the judge concludes that

“The evidence, on the probabilities, supports the conclusion that the Canna Phasion is new, distinct and clearly distinguishable from any other variety. There is also insufficient acceptable evidence to conclude that others had been selling the plant previously or that its existence was a matter of common knowledge. In the circumstances, the first defendant has failed to discharge the evidentiary burden it has in respect of this defence”

36. No information of other canna varieties with variegated leaves and orange flowers in the Community has been provided by the parties.
37. As regards the interpretation of Article 7 of the Council Regulation 2100/94, the Holder argues that a variety must be distinct from any *other* variety in common knowledge. Since Article 7 refers to *other* varieties and since there is only one variety, this case does not concern the question as to whether two varieties are distinct, but whether the one variety in question meets the novelty requirement.

3.4 Novelty

The Petitioner

Outside the territory of the Community

38. The Petitioner argues that PHASION was not novel, within the meaning of the Council Regulation 2100/94, since the variety was widely commercially sold and otherwise disposed outside Europe before 14 November 1993. It has been sold in South Africa since 1970, albeit under a number of names such as Pink Leafed Canna, Canna Pink Pride, Red Leafed Variagated Canna.

Within the territory of the Community

39. The Petitioner argues that PHASION was not novel, within the meaning of the Council Regulation 2100/94, since the variety was widely commercially sold and otherwise disposed of in the UK before 14 November 1996, albeit under the denomination DURBAN.
40. The Petitioner has submitted a number of documents, such as letters and affidavits, from persons alleging to have sold the variety before the 14 November 1993 and 14 November 1996 respectively.

The Holder

41. The Holder argues that there have neither been sales of the variety on or before 14 November 1996 within the Community nor on or before 14 November 1993 outside the territory of the Community.

Within the territory of the Community

42. The Holder states that the earliest reliable reference to an orange flowered canna imported from South Africa is probably around 1993 or 1994. In relation to this, and to the evidence invoked by the Petitioner that the variety has been sold within the territory of the Community before the stipulated time limit, the Holder argues firstly, that there is no evidence that the variety imported was distinct uniform or stable, secondly, even if the

variety imported is identical to PHASION, such imports and subsequent actions were not done with the consent of the breeder.

Outside the territory of the Community

43. As to disposals outside the Community, any allegations that the variety was available to the public prior to the one-year period prior to the application, permitted under South African plant breeder's law, are over ridden by the judgment of the South African Court stating that Kirsten "discovered and developed" the variety.
44. If any material of an orange flowered canna was known in South Africa prior to the said one year period, no positive evidence has been provided to confirm that this was of the variety PHASION, which name was only given at the time of application for rights.

3.5 Denomination

45. During the meeting at the Office on 1 October 2003, it was clarified that none of the parties were of the opinion that there can be two varieties solely on the basis that one variety has been given different denominations in different territories.

4. FINDINGS OF THE OFFICE

4.1 Entitlement

46. Under Article 11 of Council Regulation 2100/94 the person who bred, or discovered and developed the variety shall be entitled to the Community plant variety right.
47. In the application for a CPVR, Potgieter, through his procedural representative at that time, declared to be the breeder. This declaration was false. Potgieter has subsequently admitted in court proceedings in South Africa that he was not the breeder. This has been confirmed by the Holder. This is in itself a ground for nullity of the Community plant variety right, unless the right is transferred to the person who is entitled, Article 20(1)(c) of Council Regulation 2100/94.
48. As regards the question of entitlement, the Petitioner argues, firstly, that someone who is not the legitimate owner of a right can never transfer that right since he is not entitled to the right in the first place. Secondly, the Petitioner argues that the Holder should not have been registered as holder since the right has not been transferred to a person who is so entitled. Kirsten is not the breeder of the variety and an assignment from Potgieter to Kirsten or to the Holder is not valid.
49. Due to the wording of Article 20(1)(c) Council Regulation 2100/94 referred to above, the first argument by the Petitioner can not be accepted. Council Regulation 2100/94 clearly provides that such a transfer can be made if the right is transferred to the person who is so entitled.
50. As regards the second argument, it is necessary to assess if Kirsten is the breeder of the variety within the meaning of Article 11 of Council Regulation 2100/94.
51. The Petitioner argues that the fact that Kruger pointed out the variety to Kirsten in his garden does not make Kirsten the breeder. Kirsten has made no developments of the variety, as he used the original plants for tissue culture.

52. The Holder claims that Kirsten is the breeder and relies on the judgement from the court case in South Africa. In this judgement, it is not claimed that Kirsten bred the canna from scratch. It is however submitted that he discovered and developed the canna. In the meeting at the Office on 1 October 2003, Kirsten confirmed that he did not claim to have bred the variety from scratch but rather discovered and developed it.
53. The Holder has not argued that PHASION is another variety than the variety found in Kruger's garden. Since Kirsten has not claimed that he created a new variety, there is no need to assess if the variety given to Kirsten by Kruger is distinct from PHASION.
54. The Office must thus assess whether Kirsten discovered and developed the variety.
55. In February 1991 Kirsten was invited to T Kruger at the Bethal nursery in South Africa. Kruger, who died in 1993, was in the horticultural business and a very well known nursery man in South Africa. Kruger was the owner of at least two nurseries and had written botanical books. This means that Kruger must be considered as a botanical expert.
56. During Kirsten's visit, Kruger showed Kirsten around in his garden. Kruger showed Kirsten the variety in question and Kirsten became very excited about it. In the meeting at the Office on 1 October 2003, Kirsten explained that there were a number of plants of the variety in question in Kruger's garden grown together on a plot that was about one meter of the flower bed.
57. According to Kirsten, Kruger agreed that Kirsten took a number of rhizomes home, propagated them and supplied them to Morgenzon Estates nursery. Morgenzon Estates nursery then bulked them up on his behalf. Having evaluated and bulked up the plants, Kirsten applied for plant variety protection in 1994 and the first batch of Cannas became available for commercial exploitation in 1995 and 1996.
58. The concept of "discovered" a variety is not defined in the Council Regulation 2100/94.
59. Within UPOV, the notion of "discovery" is described as the activity of "selection within natural variation".² It is also explained that the "discovery" of mutations or variants in a population of cultivated plants is indeed a potential source of new improved varieties.
60. Another interesting view of the term "discovery" is given in a report on the Australian plant breeders act³ in which it is stated that
- "a person can not normally be considered the "discoverer" of a plant if someone else provides the particulars of its existence to that person."
61. Since there is no clear definition of "discovered" in Council Regulation 2100/94, guidance may also be found in how the word is used in the ordinary language. In the New Oxford Dictionary, *discover* is described as
- "find something unexpectedly or in the course of search."⁴
62. In the same dictionary, an example of a discovery is

² UPOV Document C(Extr.)/19/2 Rev., August 9, 2002, originally presented to the Council in its Nineteenth Extraordinary Session Geneva, April 10, 2002

³ Clarification of Plant Breeding Issues under the Plant Breeder's Rights Act 1994, Report of the Expert Panel on Breeding, December 2002

⁴ The New Oxford Dictionary, Clarendon Press, Oxford 1998

“be the first to find or observe (a place, substance, or scientific phenomenon)”

63. It is undisputed that the first time Kirsten was confronted with a canna variety with variegated leaves and orange flowers was in Kruger’s garden. Kruger, who was a botanical expert, was well aware of the existence of the plants in his garden. Kirsten was given some rhizomes from the plot where they grew, but did not make any selection of mutations or variants in the population of cultivated plants in Kruger’s garden.
64. It is the opinion of the Office, that the notion to “*discovered*”, within the meaning of Council Regulation 2100/94, needs to include at least a minimum of activity of the person claiming to be the discoverer. Kirsten was shown the variety by Kruger. Kirsten was thus neither the first person nor the first expert to observe the variety in question.
65. In the opinion of the Office, the UPOV document mentioned above rather explains that mutants or variants found and selected should not be excluded from protection, than explaining that a professional showing another professional a variety grown in his garden should be comprised by the term.
66. It is the view of the Office that the term “discovered”, within the meaning of the Council Regulation 2100/94, should not comprise the events described by the Holder.
67. It may be the case that the acts carried out from the time the rhizomes were taken from Kruger’s garden until the plants were DUS tested in South-Africa can be considered to be “development” within the meaning of Article 11 of the Council Regulation 2100/94. However, since the person must have discovered and developed the variety, it is not necessary to examine if the requirement of development is fulfilled.
68. The Holder has however argued that Kruger agreed that Kirsten commercialized the variety. Apart from this oral statement, there is no evidence presented in the case showing the content of such an agreement, such as if the exploitation of the variety would include asking for plant variety rights outside South Africa or the question of remuneration to Kruger.
69. Even if it would be established that Kruger was the breeder of the variety, which is not necessary for the purpose of this decision, Article 23 of Council Regulation 2100/94 requires that an assignment shall be made in writing and shall require the signatures of the parties to the contract, except when this is the result of a judgment or of any other acts terminating court proceedings. No such contract has been entered into. Even if a judgment in South Africa would be sufficient for the purpose of fulfilling the requirement in Article 23, the case in South Africa is not finally settled pending the judgment of the Supreme Court of Appeal of South Africa.
70. For the reasons mentioned above, the Office finds that the right to PHASION has been granted to a person who is not entitled to it. The right has not been transferred to the person who is so entitled. Pursuant to Article 20 of Council Regulation 2100/94, the Office therefore declares the Community plant variety right for the variety PHASION null and void.

4.2 Novelty

71. Following the outcome of the question on entitlement, it is not necessary to examine if the variety should have been deemed new at the date of application.