

Neutral Citation Number: [2025] EWHC 941 (Pat)

Case No: HP-2025-000001

IN THE HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES PATENTS COURT

Royal Courts of Justice Rolls Building, Fetter Lane, London, EC4A 1NL

Date: 16/04/2025

Before:

THE HON MR JUSTICE MELLOR

Between:

NADOR COTT PROTECTION S.A.S.

<u>Claimant</u>

Defendants

- and (1) ASDA STORES LIMITED
(2) INTERNATIONAL PROCUREMENT AND
LOGISTICS LIMITED

Andrew Lykiardopoulos KC (instructed by Powell Gilbert LLP) for the Claimant Anna Edwards-Stuart KC (instructed by Appleyard Lees IP LLP) for the Defendants

Hearing date: 14 April 2025

Approved Judgment

This judgment was handed down remotely at 10.30am on 16 April 2025 by circulation to the parties or their representatives by e-mail and by release to the National Archives.

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THE HON MR JUSTICE MELLOR

Mr Justice Mellor:

Introduction

- 1. This is the hearing of the CMC in these Shorter Trial Scheme proceedings. The Claimant ('NCP') sues for infringement of United Kingdom Plant Breeders' Right number 28016 (the 'Nadorcott PBR' or 'the PBR'), which concerns the Nadorcott variety of mandarin orange.
- 2. A trial date has already been listed to take place in a 5 day window from 24 November 2025, with a time estimate of 3-4 days.
- 3. In addition to the CMC, I have an application of the Defendants (collectively 'Asda') by notice dated 8 April 2025 for (i) an order that this claim be stayed pending the determination of the Defendants' recently filed application at the UK Plant Varieties Office (PVO) for a declaration that the Nadorcott PBR is null and void pursuant to section 21 of the Plant Varieties Act 1997 (PVA 1997 or the Act) ('Asda's Nullity Application') (ii) permission to amend its Defence.
- 4. NCP resist the stay. NCP have consented to all but two of the amendments to the Defence. Subject to the outstanding dispute as to those two amendments, the directions to trial are agreed. The List of Issues is also agreed. So the issues I have to determine are:
 - (1) whether or not this claim should be stayed pending determination of Asda's Nullity Application; and
 - (2) permission to amend paragraphs 1 and 9C(c) of Asda's Defence as per the draft Amended Defence.
- 5. The application for a stay is supported by the evidence given in the Application Notice by Mr Christopher Thomas, a solicitor in the firm acting for Asda. The evidence for NCP is given in the witness statement of Dr Bethan Hopewell, a partner in Powell Gilbert LLP, their solicitors. As this hearing took place on a Monday, Skeleton Arguments were filed by each side on the previous Friday morning. That Friday evening, Asda served a further witness statement from Mr Graeme Morrison, a Senior Legal Director at the First Defendant, to which Dr Hopewell filed a short second statement in response. Mr Morrison voices complaints about Asda being targeted by this action and makes a series of allegations about the damage which he says Asda will suffer if certain relief is ordered against Asda.

This Claim

6. The PBR in issue was originally filed in August 1995 and granted in October 2004 as a unitary EU Community Plant Breeders' Variety Right ("CPVR"). It became a separate UK right on 1 January 2021 pursuant to the EU Exit Regulations. The right protects a variety of mandarin trees and their fruit called "Nadorcott". If the right remains valid, it will expire in 2029, after its 25 year term from grant.

- 7. The Defendants sell a competitor variety of mandarin to Nadorcott called "Tang Gold" or sometimes "Tango". The Second Defendant sources at least some of the Tang Gold fruit for the First Defendant.
- 8. The Claimant says that Tang Gold is a "dependent variety" of Nadorcott in that it was essentially (i.e. predominantly) derived from Nadorcott and retains the expression of the essential characteristics of Nadorcott. Under s. 7 of the Act, the holder of a PBR has the same rights in respect of a dependent variety as are held in respect of the protected variety (s.7(1)).
- 9. On the Claimant's case, Tang Gold arose because the person who "bred or discovered and developed" (see s.4(3) of the Act) Nadorcott (a Dr Nadori in Morocco, the predecessor in title to the Claimant) sent cuttings to a Prof Bitters (a scientist at the University of California) for research. In California, Nadorcott was subjected to irradiation and Tang Gold was the result. As a result of the irradiation, Tang Gold presents a reduced number of seeds under cross-pollination conditions and lower viability of pollen. Accordingly, the Claimant says that Tang Gold is essentially derived from Nadorcott and the sale of Tang Gold mandarins in the UK infringes the PBR.
- 10. Asda sell mandarins of both varieties: i.e. both Nadorcott and Tang Gold. The evidence suggests that a number of UK supermarkets sell mandarins of the Tang Gold variety, since NCP sent complaints in September 2023 about the sale of Tang Gold mandarins to Sainsburys, Asda, Aldi, Lidl, the Co-Op, Tesco, Waitrose and Marks & Spencer. Prior to this action, NCP brought a similar action for infringement of the PBR against Sainsburys, but this was settled on 18 October 2024 on terms that Sainsburys agreed to remove Tang Gold mandarins from sale. Thereafter, NCP wrote again to Asda on 26 November 2024. Asda responded in December 2024 saying (as it had done before) that all relevant consents had been obtained, and that led to the commencement of this action on 3 January 2025.

The application to amend and for a stay

- 11. The issue of a stay only arose very recently, in the following circumstances.
- 12. Asda served their Defence on 4 February 2025. At that time, Asda did not admit the derivation history pleaded by NCP. On the Defence as filed, the principal issues for the trial were (a) whether or not Tang Gold retained the essential characteristics of Nadorcott (and so is a dependent variety) (Defence ¶10); and (b) whether the Tang Gold fruit was obtained by the Defendants through the unauthorised use of the propagating material (the mandarin trees) and whether the Claimant had had a reasonable opportunity before the fruit was obtained by the Defendants to exercise its rights in relation to the unauthorised use of the propagating material (see s.6(3) of the Act).
- 13. As regards the first of these issues, the Defendants rely on the fact that under certain conditions of cultivation Nadorcott mandarins have a number of seeds, whereas Tang Gold produces very few seeds irrespective of the method of cultivation. The Defendants say that this means that the varieties do not share the same essential characteristics. The Claimant says that this difference arises from the act of derivation (the irradiation) and so can be ignored pursuant to s.7(3)(c) of the Act.

- 14. As regards the second issue, NCP say this is likely to be a legal point on what is meant by "unauthorised use" and "reasonable opportunity...to exercise his rights in relation to the unauthorised use of the propagating material" in s.6(3) of the Act, particularly in circumstances when the propagating material (the trees) cannot be grown in the UK's climate at commercial scale.
- 15. Very recently, Asda applied to amend the defence and to introduce a counterclaim for invalidity of the PBR. However, ss21-23 of the Act reserve jurisdiction to the Controller of the UK PVR Office to rule on invalidity, cancellation and suspension of a PBR. Asda now accept that the Court has no jurisdiction to make a declaration of invalidity or to revoke the PBR, so the application to amend concerns only aspects of the Defence. As regards the new defence (pleaded in ¶9 and 9A), the Defendants wish to take issue with the derivation history and say that in fact Tang Gold is not derived from Nadorcott at all.
- 16. Thus, Asda seek to remove the non-admission in the original Defence and instead seek to advance a positive alternative case. Since derivation is already in issue at trial and it remains possible for this to be resolved at the trial, these amendments were not opposed by NCP except in relation to 2 points.
- 17. First, the defendants seek to make some amendments to paragraph 1 of their defence that are predicated on their stay application being granted (particularly the final part of Paragraph 1). The outcome of the stay application will be dispositive of whether that amendment is appropriate.
- 18. The second is the proposed paragraph 9C(c). That subparagraph alleges that "<u>Insofar as Nadorcott variety is a distinct variety</u> discovered and developed by Mr Nadori, any development took place by Mr Nadori in and/or after 1988".
- 19. The Claimant wrote to the Defendants about this subparagraph. Last Thursday, the Defendants responded in correspondence that "it relates to the defence that Tang Gold was not derived from Nadorcott because the Nadorcott Variety was not supplied to Professor Bitters. What was supplied was W. Murcott/Murcott Sasma/Inra. The W. Nadorcott variety was developed after the supply of the budwood because of the acts of development carried out by Mr Nadori and which were relied upon to obtain the Nadorcott PBR".
- 20. NCP's point is that in the grounds of invalidity filed with the Controller (at paragraph 4(8)), the Defendants positively plead that "the Nadorcott variety is the same variety as the W Murcott variety". Yet in the proposed paragraph 9C(c) this is put in the conditional ("Insofar as Nadorcott variety is a distinct variety..."). NCP say that the Defendants' position on subparagraph 9C(c) is therefore wholly unclear (and appears to be contrary to the case advanced before the Controller). It is for this reason that NCP say they cannot consent to the proposed amendment.
- 21. Notwithstanding those two points, the parties agreed the list of issues for the trial on liability in the following terms:
 - '1. Whether the Tang Gold variety of mandarin oranges (Tang Gold) is:

- a. derived from the Nadorcott variety of mandarin oranges (Nadorcott);
- b. an essentially derived variety of Nadorcott and therefore a dependent variety of Nadorcott within the meaning of section 7 of the Plant Varieties Act 1997 (the Act).
- 2. Whether the rights conferred on the Claimant by the United Kingdom Plant Breeder's Right No. 28016 apply in respect of the Tang Gold Mandarin Oranges in relation to which the Defendants have performed any of the acts in Section 6(1) of the Plant Varieties Act 1997 (Tang Gold Mandarin Oranges), specifically:
 - a. whether the Tang Gold Mandarin Oranges were obtained through the unauthorised use of propagating material of the protected variety within the meaning of section 6(3) of the Act; and
 - b. whether the Claimant has had a reasonable opportunity before the Tang Gold Mandarin Oranges were obtained to exercise its rights in relation to the unauthorised use of such propagating material within the meaning of section 6(3) of the Act.'
- 22. Stepping away from the detail I have described so far, it is clear that the overall dispute divides into two parts.
- 23. In the first part which will be the subject of the trial in this action, the Court will resolve the issues over the derivation of Tang Gold. In very broad terms, these can be considered as 'infringement' issues. However these issues apply to all those who supply and take supplies of Tang Gold (at least in the UK, although there may be knock-on effects so far as the CPVR is concerned). This is why NCP is anxious that no stay should be granted because a stay would delay their ability to enforce the PBR assuming Asda's validity challenge fails.
- 24. Asda's validity challenge can only be determined by the UK PBR office and this is the second part of the dispute. No information was available as to how long it will take Asda's validity challenge to be determined by the Office but I must also note that an appeal from the Controller lies to the Tribunal and then to the Court via judicial review.

Asda's validity challenge

- 25. I should briefly outline Asda's validity challenge, as it was set out in their Grounds of Invalidity as presented to the UK PVR Office.
- 26. Asda allege the PBR is and at all material times has been null and void on three grounds:
 - i) the Nadorcott variety is not distinct within the meaning of section 4(2)(a) of the Act; and/or

- ii) the Nadorcott variety is not new within the meaning of section 4(2)(d) of the Act; and/or
- the person to whom the rights were granted was not the person entitled to the grant of the rights within the meaning of section 21(c) of the Act.

Applicable provisions of the Act (with emphasis added)

- 27. Section 4 of the Act sets out 'Conditions for the grant of rights' and, in relevant part, provides:
 - (1) The conditions which must be met in relation to an application for the grant of plant breeders' rights are—
 - (a) that the variety to which the application relates is a qualifying variety, and
 - (b) that the person by whom the application is made is the person entitled to the grant of plant breeders' rights in respect of the variety to which it relates.
 - (2) For the purposes of subsection (1) above, a variety is a qualifying variety if it is—
 - (a) distinct,
 - (b) uniform,
 - (c) stable, and
 - (d) new;

and Part I of Schedule 2 to this Act has effect for the purpose of determining whether these criteria are met.

28. The relevant parts of Schedule 2 provide:

PART I

CRITERIA FOR GRANT OF RIGHTS

Distinctness

1. The variety shall be deemed to be distinct if it is clearly distinguishable by one or more characteristics which are capable of a precise description from <u>any other variety</u> whose existence is a matter of common knowledge at the time of the application.

Novelty

- 4 (1) The variety shall be deemed to be new if sub-paragraphs (2) and (3) below apply.
- 4 (2) This sub-paragraph applies if no sale or other disposal of propagating or harvested material of the variety for the purposes of exploiting the variety has, with the consent of the applicant, taken place in the United Kingdom earlier than one year before the date of the application.
- 4 (3) This sub-paragraph applies if no sale or other disposal of propagating or harvested material of the variety for the purposes of exploiting the variety has, with the consent of the applicant, taken place elsewhere than in the United Kingdom earlier than 4 years, or, in the case of trees or vines, 6 years, before the date of the application.
- 29. The remaining sub-paragraphs of paragraph 4 set out various acts of sale or disposal which are to be disregarded, but which I need not set out.

- 30. Finally, section 21, Nullity, is in a section of the Act entitled Termination and suspension of plant breeder's rights. In relevant part, it provides:
 - (1) The Controller shall declare the grant of plant breeders' rights null and void if it is established—
 - (a) that when the rights were granted the protected variety <u>did not meet the criterion</u> specified in paragraph (a) or (d) of section 4(2) above,
 - (b)
 - (c) that the person to whom the rights were granted was not the person entitled to the grant of the rights and the rights have not subsequently been transferred to him, or his successor in title.
- 31. Not surprisingly, there are equivalent provisions in the Community PVR Regulation. Although they are set out differently in the Act, I can proceed on the basis that the two sets of provisions have the same effect.

The issues of overlap

- 32. To my understanding, Asda did not, either in their evidence or in their Skeleton Argument, develop any arguments in support of the stay which depended on overlap between the issues in this action and the issues in the Nullity Application.
- 33. However, in her oral submissions, Asda's Counsel developed two arguments as to overlap between the defences to infringement and the invalidity arguments:
 - i) First, between the issue of derivation of Tango Gold and the Grounds of Invalidity. As I understood matters, the issue here relates to the first ground of invalidity (not distinct) i.e. whether Nadorcott is distinct from W Murcott.
 - ii) Second, between Asda's defence of authorisation pursuant to s.6(3) of the Act and Asda's third ground of invalidity (not entitled).
- 34. Counsel explained that her concern was that Asda might be shut out from running some of the factual disputes on the infringement side of the case, on the basis that it would be said that those issues are for decision by the Office. This concern had not been expressed before.
- 35. When responding on these points, Counsel for NCP did not accept the first allegation of overlap at all. As he said, the basis for the invalidity attack is that Nadorcott and W Murcott are the same variety, in support of Asda's plea that Nadorcott is not distinct. That, he said, is not in dispute between the parties. What he said was in dispute was whether that led to a ground of invalidity on lack of distinctiveness. His point was that Asda's plea (that Nadorcott was not distinct from W Murcott) did not make sense. He pointed to the words in Sch 2 para 1 and in particular the words 'from any *other* variety'.
- 36. On the second alleged overlap, Counsel for NCP understood Asda's point to be that there may be overlap in the facts about Dr Nadori giving material to Prof Bitters at the University of California, in particular whether that was a disposal under the Act or whether it was done for experimental or other type purposes. However he submitted that is not something Asda have pleaded before and it does not arise in this action. In any event, his fall-back argument was that even if there was some overlap, it did not support or lead to a stay.

- 37. In further submissions on these points, Counsel for Asda submitted there was overlap due to the fact that questions of validity and infringement flow from the same factual matrix as to what was happening, when, where and by whom, on the one hand and whether or not the circumstances in which the material was provided to the University of California amounted to an authorisation.
- 38. In response, Counsel for NCP contended it was hard to see why any irreconcilable judgments would result because the investigation which the Court has to carry out in this action is not the same as the investigation in the Office and he pointed to the different lists of issues in each proceeding.
- 39. These allegations of overlap caused me some concern for two reasons. First, because, if correct, they might give rise to a risk of inconsistent decisions, and therefore provide support for a stay. Second, because they were only developed in the course of oral argument, which was not conducive to a suitably precise identification of what was at stake. It was these allegations which I wished to consider further after the conclusion of argument.
- 40. Due to the way in which the arguments developed, I need to delve into the particulars pleaded by Asda in support of their grounds and the issues raised in the 'infringement' side of the case.

NCP's Particulars of Infringement and Asda's pleading in response

- 41. NCP's Particulars of Infringement set out its case as to why Tang Gold is a 'dependent variety':
 - '3. Tang Gold was obtained by the University of California from Nadorcott budwood (i.e. cuttings), to which it gained access from material sent by Dr El Bachir Nadori from Morocco in 1985. In particular, Tang Gold was selected by the University of California from samples of Nadorcott that the University had subjected to irradiation for the purpose of inducing mutation aimed at rendering the resulting plants sterile and their fruit without seeds under any condition.
 - 4. In the premises, Tang Gold is a variant of Nadorcott which was wholly derived from Nadorcott by means of selection of an artificially irradiated specimen of Nadorcott. Accordingly, Tang Gold is a dependent variety of Nadorcott in that it is essentially derived from the same.
 - 5. Specifically, Tang Gold:
 - 5.1. is predominantly derived from Nadorcott whilst retaining the expression of the essential characteristics resulting from the genotype or combination of genotypes of Nadorcott;
 - 5.2. is clearly distinguishable from Nadorcott by one or more characteristics which are capable of a precise description, in

particular the number of seeds produced by controlled crosspollination and viability of pollen; and

- 5.3. except for the differences which result from the act of derivation (such act being in this case the selection of an artificially irradiated specimen) it conforms to Nadorcott in the expression of the essential characteristics that result from the genotype or combination of genotypes of Nadorcott.'
- 42. Paragraph 6 pleads that performance of any of the acts in section 6(1) of the Act require NCP's authorisation. Paragraph 7 pleads NCP's alternative case that Tang Gold is materially identical to Nadorcott. Paragraph 9 pleads that NCP has not authorised the use of Tang Gold.
- 43. Asda's proposed amended Defence features extensive amendments to paragraph 9 where they set out their contentions of the origin of the Nadorcott and Tang Gold varieties. However, notwithstanding that paragraph 9D pleads that 'Insofar as paragraphs 2 to 5 of the Particulars of Infringement are inconsistent with paragraph 9C above they are denied', on analysis there does not appear to me to be any real dispute as to the background facts, apart from:
 - i) First, the name of the variety of the budwood supplied to Prof Bitters in 1985. NCP plead he was supplied with samples of Nadorcott, whereas Asda plead he was supplied with budwood of the W Murcott variety. On NCP's case, these are the same. Both sides plead that the samples provided to Prof Bitters were irradiated and Tang Gold was derived from the irradiated budwood.
 - ii) Second, as to when Dr Nadori's development of Nadorcott took place. Asda plead it took place only in and/or after 1988. NCP do not accept this.
- 44. I should note Paragraph 13 of the Defence:
 - '13. The Defendants are unable to admit or deny whether or not the Claimant has authorised the use of Tang Gold as alleged at paragraph 9 of the Particulars of Infringement (and specifically whether or not the Claimant has authorised the use of the propagating material of the protected variety from which the Tang Gold Mandarin Oranges were obtained) because such facts and matters are outside the knowledge of the Defendants.'
- 45. Paragraph 14(a) of the Defence goes on to plead that the Claimant's authorisation is not required, based on paragraphs 9-10. Paragraph 14(b) pleads an alternative case that the Claimant's authorisation is only required if Tang Gold oranges were obtained through unauthorised use of propagating material of the protected variety and the Claimant has not had a reasonable opportunity before the harvested material was obtained to exercise its rights in relation to the unauthorised use. Then paragraph 14(c) pleads that 'the Defendants are unable to admit or deny whether or not the Tang Gold Mandarin Oranges were obtained through the unauthorised use of propagating material of the protected variety and the Claimant is required to prove the same.'

46. So these paragraphs show that Asda have not pleaded a positive defence of authorisation, even though that seemed to be asserted by Counsel in submissions.

Asda's Grounds of Invalidity in more detail

- 47. Perhaps not surprisingly, Asda's Grounds of Invalidity appear to me to be consistent with their case as set forth in their Amended Defence (with the minor exception of the paragraph 9C(c) issue). Compare the particulars under the first ground (not distinct, in Paragraph 4) with the sub-paragraphs under paragraph 9C of the Amended Defence.
- 48. I note that Paragraph 4 is repeated under the second ground (lack of novelty). The legal consequence of those facts, so far as novelty is concerned, are pleaded to be that the supply to Prof Bitters was a 'disposal' within the meaning of paragraph 4 of Part 1 of Schedule 2 to the Act, but the key allegation is in (7) 'Dr Nadori supplied Prof Bitter [sic] with the budwood for the purposes of exploiting the W Murcott variety.'
- 49. Although, as far as I am aware, there is no definition of 'exploitation' in either the Act or the CPVR Regulation, it is apparent that it means commercial exploitation in contradistinction to the use of material for research purposes. So, on Asda's invalidity plea, a key issue is the purpose for which the material was supplied to Prof Bitters.
- 50. So far as Asda's third ground of invalidity is concerned (lack of entitlement), it is centred on the allegations in particular (5) 'Dr Nadori did not 'breed' the Nadorcott variety. Nor did Dr Nadori 'discover and develop' the Nadorcott variety because Dr Nadori did not 'develop' the Nadorcott variety.' Instead, the Nadorcott variety is said to have come about through 'spontaneous pollination' and 'spontaneous self-fertilisation (rather than cross-pollination)' and that neither of these acts were the result of any act on the part of Dr Nadori. The sub-paragraphs under this plea are again consistent with what is pleaded in Paragraph 9C of the Defence.
- 51. Standing back from the detail, it appears to me:
 - i) There is no real dispute as to the underlying facts in the development of either (a) Nadorcott or (b) Tang Gold.
 - ii) Instead, the disputes are as to the legal consequences i.e. the purpose for which material was supplied to Prof Bitters, the question of authorisation and 'reasonable opportunity'.

Previous Challenges to the validity of Nadorcott as a protected right

- 52. In view of Asda's validity challenge, it is relevant to note that the validity of the equivalent CPVR for Nadorcott has been examined three times already. The details are set out in the decision of the Board of Appeal of the CPVR Office ('BoA'). I understand both the Office and the BoA to be specialist tribunals.
- 53. When Asda served their original Defence, a long-running challenge by a company called Eurosemillas SAS to the validity of the equivalent CPVR was still in progress, in the form of the final stage of appeal to the CJEU. It so happened that by Order dated 14 March 2025, the CJEU rejected that final appeal, by refusing permission to appeal.

- 54. The appeal to the CJEU was, naturally, from a Judgment of the General Court dated 11 September 2024, in which that Court rejected the appeal in which Eurosemillas sought annulment of the decision of the Board of Appeal of the Community Plant Variety Office of 2 January 2023, in which the BoA rejected the challenge by Eurosemillas to the validity of the equivalent CPVR, a challenge which was commenced as long ago as 31 May 2016. Thus it took nearly 8 years for that validity challenge to reach a final conclusion.
- 55. In the meantime, as I understand the position, infringement proceedings in Spain under the CPVR which were commenced as long ago as 2008 against (1) the Instituto Valenciano de Investigaciones Agrarias ("IVIA"), an autonomous entity of the Valencian Regional Government; and (2) Eurosemillas, whilst not stayed, made no significant progress during the nullity proceedings against the CPVR. Now that the judgment of the General Court has become final, the parties in the Spanish proceedings are waiting for a date to be set for the next procedural hearing in the action.
- 56. In their Preliminary Remarks, the BoA observed at [37] that the Nadorcott variety has been examined by the CPVR Office on three different occasions (1) in the course of the examination procedure (2) in the context of the appeal against the grant of the CPVR filed by the Federation of Agricultural Cooperatives of the Valencian Community FECOAV on 18 April 2005 and (3) in the course of the annulment proceedings the subject of the appeal to the BoA. The BoA commented:

'Following these in-depth and complex examinations, the Office confirmed the validity of the PVR given to Nadorcott.'

- 57. The CPVO Board of Appeal had to deal with a number of grounds of appeal, which included a novelty challenge and a challenge that Dr Nadori was not the person entitled to the CPVR. Although these challenges were not identical to those now formulated by Asda, they are similar.
- 58. Specifically, in the particulars of their novelty challenge, Asda rely on a supply by Dr Nadori to Prof Bitters and allege it was a 'disposal' within the meaning of paragraph 4 of Part 1 of Schedule 2 to the Act, which occurred more than 6 years prior to the application for the CPVR.
- 59. In this regard, I note that in [138]-[147] of their decision, the BoA discussed the purpose of the transfer to Prof. Bitters in some detail (and on the basis of some contemporaneous documents) and concluded that that transfer did not amount to commercial exploitation of the variety in question before the relevant date.
- 60. The second ground of appeal considered by the BoA at [93]-[104] was to similar effect as Asda's plea (see [50] above): the allegation was that Nadorcott was discovered and not developed. The BoA rejected this second ground and concluded as follows:

'102. The Board is of the view that, as mentioned in the article of Mr. Nadori, referred to in paragraph 145 below, the 'Nadorcott' variety was subject to breeding and development, including crossing, selection, multiplication and evaluation of the variety. The variety originates from seedlings grown from seeds of the variety 'Murcott'. The "discovery" of the variety in

1981-82 by Mr. Nadori is an act of selection in a population created by the breeder.

103. After becoming aware in 1988 of its self-incompatibility, the existence of which the Appellant does not dispute, the acts performed by Mr. Nadori can be qualified as acts of development of the 'Nadorcott' variety. The experimentation initiated and conducted by Mr Nadori led to the development of a set of processes necessary to obtain a fruit without seeds.'

- 61. Finally, although the BoA did not have to deal with the same allegation that the Nadorcott variety was not distinct, Asda's allegation is based on an allegation that the 'Afourer' trees and the W Murcott trees were the same variety. At [132] of their decision the CVPR Office made a finding that there was only one variety, so the distinctiveness issue did not arise see also in the BoA decision [196]-[198].
- 62. NCP suggest Asda's plea is obviously bad because Asda plead that Nadorcott and W Murcott are the same variety that was re-named. NCP suggest the whole plea is a nonsense because a variety cannot be clearly distinguishable from itself. NCP suggest this is why paragraph 1 of Schedule 2 refers to 'any *other* variety'.
- 63. Clearly, I am not in a position to form any conclusions on any of the grounds of Asda's validity challenge and, as Counsel submitted, the challenge may succeed. Nonetheless, I consider it is relevant to note that similar allegations have been considered more than once by the specialist CPVR Office and the BoA.
- 64. Finally, I should mention briefly the proceedings in South Africa. Dr Hopewell describes them in her evidence. NCP and its South African licensee began proceedings in South Africa in 2014 against Eurosemillas and various other parties, alleging infringement of the South African PBR relating to Nadorcott by their dealings in Tang Gold fruit and materials. Although the defendants have given undertakings to keep records of their production of Tang Gold for the purposes of calculating damages if the infringement claim is successful, the claim is still at the stage of disclosure, with the defendants' latest production of documents taking place in March 2025. I understand that case management hearings have taken place every six months over the last 3 years, but the case has not yet been declared ready for trial by the Court.
- 65. It is no surprise that NCP has brought claims in Spain and South Africa because, as I understand it, those are the principal countries where Tang Gold is grown. Overall, it is remarkable that the expiry of NCP's rights in at least the UK and Europe is hoving into view (in 2029) and it is not yet clear whether NCP can vindicate its claimed rights in the Nadorcott variety.

Stay - Applicable legal principles

- 66. Neither side was aware of any case in which a stay has been sought of PBR infringement proceedings in favour of invalidity proceedings in the Office.
- 67. Asda referred me to Art. 106(2) of the EU Plant Variety Rights Regulation No.2100/94 which provides that infringement proceedings *may* be stayed. It is a provision which is no longer applicable in the UK, but, in any event, it takes matters no further since it is

clear that the Court has a discretion whether to grant a stay of proceedings under its inherent jurisdiction, reflected in CPR 3.1(2)(g). Both sides agreed that discretion must be exercised in accordance with the Overriding Objective and the interests of justice.

- 68. Perhaps not surprisingly, an analogy was drawn with the situation which comes before the Patents Court with reasonable frequency where a stay is sought pending the outcome of EPO Opposition proceedings concerning a European Patent. The applicable principles are set out in the judgment of the Court of Appeal in *IPCom v HTC* [2013] EWCA Civ 1496 see the Judgment of Floyd LJ at [68].
- 69. However, those principles were developed to address the difficulties which can arise when the twin routes to revocation of a patent may be pursued at the same time, something inherent in the scheme provided by the European Patent Convention on the one hand and the UK Patents Act on the other. Furthermore, the outcome of an EPO Opposition may be that the European Patent is revoked for all countries, maintained in an amended form or maintained as granted. If it is amended and takes effect at a time when infringement proceedings are before the national court, then s.77(3) of the Patents Act 1977 provides that the effect of any amendment to the patent made by the EPO is the same as if the amendment has been ordered by the Court.
- 70. As Floyd LJ observed at [28]:

'It is important to keep in mind the range of possible consequences of the two sets of proceedings, and their impact on one another. It is these features of the system created by the EPC which make the considerations affecting the grant of stays in patent cases different from those in other types of case: see in this connection the observations of Lewison J in *Glaxo v Genentech* [2007] EWHC 1416 (Pat); [2007] F.S.R. 35 at [37] to [38].'

- 71. This situation is not, in my view, analogous with stays pending the resolution of EPO proceedings for at least the following reasons:
 - The principal and most important reason is that there are not two routes to determine the validity of a UK PVR, only the single jurisdiction in the UK PVR Office,
 - ii) A secondary consideration is there is no equivalent of the issues which can arise over amendment to a European Patent. The UK PVR Office will decide whether the PVR is valid or not.

Asda's arguments in support of a stay

- 72. Asda's primary submission is that a stay is required pending the determination of Asda's Nullity Application 'to avoid the inevitable irreparable prejudice that Asda will suffer if the infringement claim is determined (particularly if any relief is ordered) before the validity of the PBR has been determined'.
- 73. Asda also submit that the interests of justice favour a stay, but apparently on the same basis.

74. Asda point out that NCP seek the usual relief for infringement of the PBR: an injunction, delivery up, an inquiry as to damages or an account of profits, a publication order and costs. Asda's point is that if relief is ordered and subsequently held to have been wrongly granted because the PBR is null and void, Asda will suffer irreparable, unquantifiable and extensive harm in the form of (a) reputational damage in the eyes of consumers and suppliers if it is unable to continue to its supply of Tang Gold mandarins (especially if other supermarkets continue their sales of Tang Gold); (b) breaches of its supply agreements; and (c) loss of profits on their sales of Tang Gold which they would have made but for the injunction.

75. Asda also suggest:

- i) they will suffer reputational damage if a publication order is made, plus losses in terms of costs and management time.
- ii) they will suffer irrecoverable costs, even if they win the infringement claim.
- iii) that NCP may not be able to pay Asda's costs if the PBR is declared null and void.
- iv) that they will suffer loss if ordered to pay damages or profits to NCP, if the PBR is subsequently declared null and void
- v) By contrast, Asda suggest the only prejudice which will be suffered by NCP if a stay is ordered is a delay in obtaining financial and injunctive relief against Asda.
- 76. To all those points, which were developed in Asda's Skeleton Argument and evidence, there are also Asda's allegations of overlap.

NCP's resistance to a stay

- 77. For their part, NCP suggest that all the factors point against a stay, relying on the following points in summary.
- 78. First, this action is important to NCP since its rights in the Nadorcott variety have been bogged down for more than 8 years in the invalidity proceedings in Europe. NCP points out that Asda now seek to have that process started again and to stay any vindication on infringement. Dr Hopewell explains that the constant refrain from supermarkets selling Tang Gold in the UK is that there is no court decision to prove that Tang Gold is a dependent variety of Nadorcott and so covered by the PBR. NCP seek to establish that point and achieve commercial certainty as to its rights.
- 79. Second, that it is entirely unknown how long the Office might take to determine the claim started only last week. If Asda's nullity action is rejected, then NCP would have to recommence progress in this claim. NCP suggest that there is no guarantee that the nullity action and any appeals following by a restored infringement action (and any appeals) will be concluded by 2029, which is when the PBR expires.
- 80. Third, because they contend they have not delayed, but instead have been actively seeking to have their rights respected by supermarkets in the UK.

- 81. Fourth, because until very recently, Asda were content for the infringement action to continue to trial in parallel with the invalidity appeal to the CJEU on the CPVR. NCP point out that in their original Defence, Asda referred to the CJEU appeal and pleaded that pursuant to the EU Exit Regulation, if the CPVR was held to be invalid by the CJEU, the PBR would fall with it. NCP say this important because had permission to appeal been given by the CJEU, the nullity proceedings on the CPVR could have continued beyond 2025.
- 82. Fifth and relatedly, NCP suggest that Asda's application for a stay is a ruse to engineer delay.
- 83. Sixth, NCP make a point that until very recently, the invalidity case was conditional on the main plea i.e. on the Defendants' primary case, Tango Gold is not a dependent variety under s.7(3) of the Act and, even if it is, no relief ought to be granted due to the operation of s.6(3) (no unauthorised use and reasonable opportunity to exercise rights in the propagating material).
- 84. Seventh, NCP point to what they say is the weakness of Asda's invalidity challenge.
- 85. Finally, NCP reject Asda's suggestions of overlap and deny there is any risk of irreconcilable decisions.

Analysis and Conclusions on the Stay application

- 86. I have considered all the arguments which I summarised above. I should state my conclusions on Asda's overlap arguments. The UK PVR Office will decide the nullity issues and the Court will decide what I have termed the infringement issues. I do not see any reason why Asda would be shut out from arguing what they want to argue in either forum. I do not see that there is any real conflict on the facts. The differences lie in the alleged legal consequences and as for those, I note:
 - There are no particulars pleaded by Asda in support of their plea that the supply to Prof Bitters was a disposal for the purposes of exploitation. It is just an assertion, and an assertion which has already been examined and rejected by the CPVR BoA. In this regard, it is relevant to note that both Dr Nadori and Prof Bitters are no longer alive and the BoA reached its decision on the basis of the contemporaneous documents and accepted practice in this field.
 - ii) As for Asda's s.6(3) arguments, and in particular whether NCP has had a reasonable opportunity to exercise its rights, that is an issue which does not arise in the Office proceedings.
- 87. Overall I remain unpersuaded that there is any overlap of any significance, or any real risk of inconsistent decisions. Furthermore, I am inclined to the view that if these overlap arguments had any real substance, they would have been identified prior to the preparation of oral submissions.
- 88. Irrespective of the prospects of success of Asda's validity challenge, it seems clear to me that this action and the validity challenge must proceed in parallel. There are good reasons why NCP want the derivation issues decided and no stay will lead to the earliest resolution of this dispute.

- 89. If the decision on validity comes prior to the judgment from the trial, all well and good, and I would encourage the UK PVR Office to decide Asda's Nullity Challenge as soon as it is able to do so. If the validity challenge remains outstanding at the time when judgment is given in this action, then the Court may have to grapple with the issue as to whether any relief should be granted at that point against Asda. Nearly all of the prejudice asserted by Asda is dependent on relief being granted against them before their validity challenge has been decided but it is by no means inevitable that that will happen.
- 90. NCP point to the practice in the bifurcated German patent system, where it is almost invariably the case that a nullity action takes much longer to reach first instance judgment than a corresponding infringement action on the same patent. In that scenario, the German infringement courts often refer to the need for the infringer to show 'clearly invalid' arguments before they will grant a stay pending the outcome of a nullity action. I am not saying that the English Court will apply the same test but it is an illustration of a court balancing the risks of injustice, which is what the English Court is likely to do if NCP succeed on the 'infringement' issues and Asda's nullity action is still pending.
- 91. If NCP succeed on the 'infringement' issues it will have achieved an important judgment which can be deployed against other supermarkets selling Tang Gold, irrespective of whether the Court grants any relief against Asda at the conclusion of the infringement case. In that scenario, all involved will be aware that the Nullity Application remains outstanding.
- 92. If I were to grant a stay of this action pending the outcome of the validity challenge then the derivation issues could only be revived and a trial of them set at that point which would lead to at least 6 or 7 months of further delay on top of the time taken to resolve Asda's invalidity challenge. In the circumstances, I see little or no justification for imposing that further delay on NCP if (on this assumption) they succeed in defeating the validity challenge.
- 93. In all the circumstances, in my judgment the factors come down firmly against the grant of a stay, so I dismiss Asda's application for a stay.

Amendment

- 94. On that basis, the proposed amendments to paragraph 1 will have to be reformulated because they anticipate a stay is granted.
- 95. The only remaining issue on the proposed amendments is that I identified above see [18]-[20]. I do not see why there is any difficulty here. It is a conditional plea. Asda's primary case is that Nadorcott is not a distinct variety, albeit in Asda's Nullity Application. The plea is based on the possibility that that primary case does not succeed. So I allow the amendment to paragraph 9C(c).