Neutral Citation Number: [2026] EWHC 553 (Pat)

Case No: HP-2025-000001

IN THE HIGH COURT OF JUSTICE
BUSINESS & PROPERTY COURTS OF ENGLAND & WALES
INTELLECTUAL PROPERTY (ChD)
PATENTS COURT
SHORTER TRIAL SCHEME

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

Date: 12 March 2026

Before :

THE HON MR JUSTICE MELLOR

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Between :

NADOR COTT PROTECTION S.A.S.	**Claimant**
- and -	
(1) ASDA STORES LIMITED	**Defendants**
(2) INTERNATIONAL PROCUREMENT AND LOGISTICS LIMITED	

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Andrew Lykiardopoulos KC and **Maxwell Keay** (instructed by **Powell Gilbert LLP**) for the **Claimant**
Anna Edwards-Stuart KC and **Miruna Bercariu** (instructed by **Appleyard Lees LLP**) for the **Defendants**

Hearing dates: 25th-26th November 2025

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Approved Judgment

This judgment was handed down remotely at 10.30am on 12 March 2026 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 a case about mandarin oranges and the scope of plant variety rights. The claimant ('NCP') is a company which owns the rights to the Nadorcott plant variety of mandarin orange, including United Kingdom Plant Breeders' Right number 28016 ('the Nadorcott PBR'). This is my judgment from the trial of the Claimant's claim, proceeding in the Shorter Trial Scheme, for infringement of the Nadorcott PBR.

2. The alleged infringements are fruit from a variety known as Tang Gold (also known as Tango), sold by the First Defendant and imported by the Second Defendant ('IPL'). Both varieties are grown in a number of countries including South Africa and Spain. I refer to the Defendants generally as 'Asda' except where it is necessary to refer to IPL specifically.

3. As I explain below, although there are two principal issues, the outcome of the trial turns on a short but important point as to the scope of the Nadorcott PBR. The scope of PBRs generally is set out in sections 6 and 7 of the Plant Varieties Act 1997 ('the Act'), which I discuss below. NCP's key contention is that Tang Gold is a dependent variety of Nadorcott, a contention that Asda denies. This is the 'dependent variety' issue and arises under section 7 of the Act. If NCP succeed in establishing that Tang Gold is a dependent variety of Nadorcott then the fruit is, in the terminology of the Act, 'harvested material'. A second point relied on by Asda to defeat NCP's claim is their contention that, pursuant to section 6(3) of the Act, NCP have lost any right of action against Asda because NCP had '*a reasonable opportunity before the harvested material is obtained to exercise his rights in relation to the unauthorised use of the propagating material'*. This is the 'reasonable opportunity' issue.

4. The dispute between the Nadorcott and Tang Gold varieties has been running for many years and long-running actions in Spain and South Africa are continuing. Nearly all of the relevant events occurred many years ago such that the participants directly involved in the original events are now dead. A consequence of this is that much of the evidence was contained in Civil Evidence Act notices served by each side. Having said that the parties managed to agree both (i) an Agreed Statement of Facts for Trial and (ii) an Agreed Chronology of Foreign Litigation. In addition, I had some short witness statements and an expert report from the expert instructed on each side: Dr Francois Luro for the Claimant and Dr Rodrigo Latado for Asda.

5. The parties helpfully agreed that no cross-examination was required of any of the fact witnesses. They also helpfully agreed that it would be disproportionate to have cross-examination of the experts, which would have necessitated Dr Latado travelling from Sao Paulo in Brazil. Asda confirmed it did not need to cross examine Dr Luro, and it was agreed that NCP was free to invite me to evaluate and, if appropriate, to reject any part of Dr Latado's evidence on the papers.

6. All these agreements were very much in line with the spirit of the Shorter Trial Scheme. Together with the assistance of the full Skeleton Arguments filed by each side in advance of trial, those agreements meant that the trial was able to be completed in two days, comprising just submissions from each side.

7. Both issues outlined above turn on or involve issues of construction of the relevant statutory provisions. However, the arguments deployed by the two sides on these issues were elaborate and detailed. In order to make sense of them, it is necessary to understand the nature of the Plant Breeders' Right. Against the backdrop of the intellectual property rights which are encountered much more frequently in court proceedings (patents, trade marks, copyrights, design rights etc), PBRs are unusual.

8. To complete the preliminaries, I mention that in their counterclaim, Asda originally challenged the validity of the Nadorcott PBR but accepted, prior to the CMC, that their challenge had to be brought in the UK PBR Office. That challenge has yet to be resolved.

9. Before I describe the legislative framework and the legislation in question, it is convenient to set out:

    i) the agreed facts as to how the Nadorcott variety was discovered, how Tang Gold was derived, their agreed characteristics and NCP's foreign plant variety rights; and

    ii) the relevant principles of statutory interpretation which I must apply to the relevant provisions of the Act.

The Agreed Facts on derivation of the Varieties

10. In 1963-1964 seedlings of the "Murcott" variety were planted at the Institut National de Recherche Agronomique ("INRA").

11. A mature tree (a cross between Murcott and an unknown polliniser) was identified in 1981-1982 by Dr El Bachir Nadori, a researcher at INRA and initially named INRA 21 W (other names used to reference this variety and/or its trees are INRA W, W Murcott and Murcott SASMA). For ease of reference this is called "W Murcott" below. (I should point out that references in this document to the names "W Murcott" and "Nadorcott" are without prejudice to the parties' positions in relation to validity and development, and in particular to paragraph 9C (c) of the Amended Defence).

12. Between 1982 and 1983 grafts of W Murcott were sent to Société des Services Agricoles au Maroc ("SASMA") and SASMA distributed buds of W Murcott to farmers to observe their behaviour.

13. In October 1982 Prof Bitters of the University of California, Riverside requested plant material from Dr Nadori.

14. Between 1983 and 1985 the farmers observed the W Murcott trees originating from buds distributed by SASMA. The trees were observed to produce fruits with an excessive number of seeds, as a result of which the fruit was not considered to be commercially interesting and the W Murcott trees were removed by the farmers in 1985.

15. In 1985, Dr Nadori supplied Prof Bitters with budwood from the W Murcott variety.

16. In 1988, Dr Nadori observed that 5-year old W Murcott/Afourer trees (kept in the Domaines Agricoles collection) produced some green-yellowish fruits (as a result of out of season flowering) which had no seeds, whilst the orange-pink fruits had many.

17. From 1989 Dr Nadori continued to work on the W Murcott/Afourer trees. In particular, he conducted an experiment on the W Murcott/Afourer trees by covering some trees at different locations with an anti-insect net before flowering (to prevent pollination).

18. The covered (unpollinated) trees produced seedless fruits whereas the uncovered (pollinated) trees produced fruits with many seeds.

19. At some point after 1988 but before 22 August 1995, Dr Nadori re-named the "W Murcott/Afourer" trees as "Nadorcott". In September 1989, Dr Nadori reported his discovery to both the INRA and Les Domaines Agricoles.

20. At some point budwood derived from the budwood originally provided by Dr Nadori to Prof. Bitters in 1985 were irradiated by the University of California, Riverside for the purpose of inducing mutation aimed at rendering the resulting plants sterile and their fruit without seeds under any condition.

21. At some point, trees were planted at the University of California, Riverside, following the irradiation of the budwood derived from that supplied by Dr Nadori.

22. The variety produced by irradiation of the budwood supplied by Dr Nadori was named "Tango" / "Tang Gold".

The Agreed Characteristics of the Varieties and their causation

23. NCP's position is that the characteristics that distinguish Tang Gold from Nadorcott are the following:

    i) Nadorcott produces viable pollen which, under conditions of open cross-pollination, will generate seeds in the fruit of other compatible citrus varieties whereas the pollen of Tang Gold is essentially non-viable (CPVO Characteristic 18: Anther: viable pollen. Nadorcott – 3 [many]; Tang Gold – 1 [absent or very few]).

    ii) The fruits of Nadorcott, when cross-pollinised by pollen of compatible citrus varieties, are capable of forming seeds, whereas the fruits of Tang Gold proved to be essentially seedless when manual cross-pollination was tested under the CPVO protocol in the official technical examination conducted during the consideration of the application for registration of Tang Gold (CPVO Characteristic 68: Fruit: number of seeds (controlled manual cross-pollination) Nadorcott – 5 [medium]; Tang Gold – 1 [absent or very few]).

24. Asda accepted that those differences distinguish the two varieties and they stated they did not intend to rely on further distinguishing characteristics.

25. NCP's position is that the distinguishing characteristics set out above resulted from the irradiation of budwood by the University of California, Riverside, as further particularised above.

26. Asda did not take issue that the differences set out at [23] above were the result of the irradiation by the University of California, Riverside of the budwood provided by Dr Nadori.

The Claimant's foreign rights

27. The Claimant has rights numbered 2004/3008 granted under section 20 of the Plant Breeders' Rights Act 94 1976 protecting the Nadorcott variety of mandarin in South Africa.

28. The Claimant has rights (namely the Community Plant Variety Right number 14111) protecting the Nadorcott variety of mandarin in the European Union.

29. In addition to the Statement of Agreed Facts, I add that an application to register Tang Gold was made by UCR to the CPVO on 10 June 2011. A CPVR for Tang Gold was granted on 24 October 2014.

30. Based on the Agreed Facts, at the start of trial it appeared that Asda were taking a temporal point that Nadorcott was 'developed' after 1985 such that Tang Gold could not be derived from it. This 'temporal' point was not pursued and I need not address it. Ultimately, I did not understand Asda to dispute that Tang Gold was derived from Nadorcott.

31. In what follows, it helps to understand two key terms – genotype and phenotype. The meaning of neither is controversial. The genotype refers to the genetic makeup or constitution of an organism i.e. its complete set of genetic material. By contrast, the phenotype of an organism is the set of observable characteristics resulting from the expression of its genes.

APPLICABLE PRINCIPLES OF STATUTORY INTERPRETATION

32. As part of domestic law, which is not derived from EU law, NCP submitted that the 1997 Act falls to be interpreted under the usual conventions of statutory interpretation. Asda did not demur. In any event, the proposition is clearly correct.

33. In terms of the principles relevant to the issues I have to decide, NCP relied on the following, again without demur from Asda.

34. The Supreme Court summarised key aspects of the approach to statutory interpretation in *R (O) v. Secretary of State for the Home Department* [2022] UKSC 3, and in particular Lord Hodge at [29]-[32]. In short:

    i) Words and passages in a statute derive their meaning from their context. The words which Parliament has chosen to enact as an expression of the purpose of the legislation are the primary source by which meaning is ascertained.

    ii) External aids to interpretation must play a secondary role. Explanatory notes, prepared under the authority of Parliament, may cast light on the meaning of particularly statutory provisions.

iii) No external aids displace the meanings conveyed by the words of a statute, when interpreted in context, if the words are clear and unambiguous and do not produce absurdity.

iv) The task involves an objective assessment of the meaning which a reasonable legislature as a body would be seeking to convey in using the statutory words which are being considered.

35. NCP also drew attention to *Uber BV v. Aslam* [2021] UKSC 5 where Lord Leggatt explained, at [70]:

> "The modern approach to statutory interpretation is to have regard to the purpose of a particular provision and to interpret its language, so far as possible, in the way which best gives effect to that purpose.".

36. There is a presumption that a word used more than once in the same statute has the same meaning throughout. As recently explained by the Supreme Court in *For Women Scotland Ltd v The Scottish Ministers* [2025] UKSC 16 at [12]-[13], this presumption is based on the idea that the drafters of the statute were seeking to create a coherent statutory text. It is also consistent with the principle that citizens with the help of their advisers should be able to understand statutes and that this points towards an interpretation that is clear and predictable. The weight to be given to the presumption depends upon the context in which the word or phrase appears in the instrument.

37. The relevance of an international treaty to the interpretation of domestic legislation intended to implement the treaty was explained by Diplock LJ in *Salomon v Commissioners of Customs & Excise* [1967] 2 QB 116, 143-144 (emphasis added):

> "Where, by a treaty, Her Majesty's Government undertakes either to introduce domestic legislation to achieve a specified result in the United Kingdom or to secure a specified result which can only be achieved by legislation, the treaty, since in English law it is not self-operating, remains irrelevant to any issue in the English courts until Her Majesty's Government has taken steps by way of legislation to fulfil its treaty obligations. Once the Government has legislated, which it may do in anticipation of the coming into effect of the treaty, as it did in this case, the court must in the first instance construe the legislation, for that is what the court has to apply. If the terms of the legislation are clear and unambiguous, they must be given effect to, whether or not they carry out Her Majesty's treaty obligations, for the sovereign power of the Queen in Parliament extends to breaking treaties (see *Ellerman Lines v. Murray; White Star Line* and *U.S. Mail Steamers Oceanic Steam Navigation Co. Ltd. v. Comerford*, and any remedy for such a breach of an international obligation lies in a forum other than Her Majesty's own courts. But if the terms of the legislation are not clear but are reasonably capable of more than one meaning, the treaty itself becomes relevant, for there is a prima facie presumption that Parliament does not intend to act in breach of international law, including therein specific treaty obligations; and if one of the meanings which can reasonably be ascribed to the legislation is consonant with the treaty obligations and another or others are not, the meaning which is consonant is to be preferred. Thus, in case of lack of clarity in the words used in the legislation, the terms of the treaty are relevant to enable the court to make its choice between the possible meanings of these words by applying this presumption."

38. The principles of interpretation of international treaties and conventions were summarised by the House of Lords in *King v Bristow Helicopters Ltd* [2002] UKHL 7, [76]-[82]. The treaty or convention must be considered as a whole, and it should receive a purposive construction [76]. It is legitimate to have regard to the *travaux préparatoires* in order to resolve ambiguities or obscurities, but caution is needed in the use of this material as the delegates may not have shared a common view [79]. Careful consideration needs to be given to the reasoning of courts of other jurisdictions which have been called upon to deal with the point at issue, particularly those which are of high standing [81].

39. NCP submitted that there is no guidance to the 1997 Act which has expressly been approved by Parliament.

40. UPOV issues explanatory notes that contain guidance on substantive provisions of UPOV 1991. This guidance is updated from time to time. I was provided with copies of the recent guidance. The parties were agreed that this guidance is not binding on UPOV member states. NCP acknowledged it has no specific status under the UK approach to statutory interpretation, but suggested that in the case of ambiguity of the UK statute, the Court may nonetheless find it of assistance as being expert guidance approved by the organisation which administers the international convention from which the UK law is derived.

LEGISLATIVE FRAMEWORK

41. The arguments in this case engage, albeit to varying degrees, the 1991 UPOV Convention, the EU implementation of it and, of course, the UK implementation in the Act.

The UPOV Convention

42. The International Union for the Protection of New Varieties of Plants ('**UPOV'**, being the acronym from the French, Union Internationale pour la Protection des Obtentions Végétales) is an intergovernmental organisation established in 1961 to provide an effective system of plant variety protection. UPOV administers the International Convention for the Protection of New Varieties of Plants (the '**UPOV Convention'**), which provides a legal framework for plant variety protection implemented by its members. UPOV's stated purpose is "*to provide and promote an effective system of plant variety protection that encourages the development of new plant varieties for the benefit of society*".

43. The UPOV Convention was adopted on 2 December 1961 and came into force in 1968. The UPOV Convention was revised in 1972, 1978 and 1991 to reflect technological developments in plant breeding and experience acquired with the application of the UPOV Convention.

UPOV's Explanatory Notes

44. UPOV publishes 'Explanatory Notes' providing guidance and information on how the provisions of the UPOV Convention can be understood and applied. They are revised as necessary. The most recent Explanatory Notes identified as relevant are:

i) The Explanatory Notes on Essentially Derived Varieties under the 1991 Act of the UPOV Convention dated 27 October 2023 (UPOV/EXN/EDV/3) (the **EDV Explanatory Notes**); and

ii) The Explanatory Notes on Acts in Respect of Harvested Material under the 1991 Act of the UPOV Convention dated 24 October 2013 (UPOV/EXN/HRV/1) (the **Harvested Material Explanatory Notes**).

45. Whilst the notes are adopted by the UPOV Council, the only binding obligations on UPOV members are those contained in the text of the UPOV Convention itself. This is stated in terms in the preamble to each of the EDV Explanatory Notes and the Harvested Material Explanatory Notes.

46. I will refer to the specific passages from the Explanatory Notes which were relied upon under the specific issues considered below.

EU Implementation of the UPOV Convention

47. Regulation (EC) No 2100/94 of 27 July 1994 on Community plant variety rights ("**the EU Regulation**") provides for an EU system of plant variety protection. It also implements UPOV 1991. As NCP submitted, its key provisions are in very similar terms to the equivalent provisions of the 1997 Act. There are, however, some differences which may achieve significance on the 'dependent variety' issue.

UK Implementation

48. The 1997 Act was enacted by the UK to implement the 1991 Act of the UPOV Convention ("**UPOV 1991"**) and provides for a UK national system of plant variety protection.

49. Although Asda submitted that the enactment of the PVA 1997 harmonised the UK's position with that of the EU, that was subject to an important acknowledgement that there are some differences.

The Nadorcott PBR

50. The PBR was originally granted as a Community plant variety right (or **CPVR**) i.e. under the EU Regulation and became a separate UK right on 1 January 2021, pursuant to the Plant Breeders' Rights (Amendment etc.) (EU Exit) Regulations 2019.

51. Under Art. 54(1)(c) of the UK/EU Withdrawal Agreement (2019/C 3841/01), the holder of a Community plant variety right granted pursuant to Council Regulation (EC) No. 2100/94 "*shall become the holder of a plant variety right in the United Kingdom for the same plant variety".* Art. 54 makes clear that such a rights owner shall "*become the holder of a comparable registered and enforceable intellectual property right in the United Kingdom under the law of the United Kingdom"*.

52. This was then enacted in UK law by SI/2019 No. 204, the Plant Breeders' Rights (Amendment etc.) (EU Exit) Regulations 2019 (**"the Exit Regulations**"). S.3(2) & (3) of the Exit Regulations provide as follows (as amended):

> '(2) On and after IP completion day, an existing EU right is to be treated as if—
>
> (a) it were a plant breeders' right granted in accordance with the 1997 Act;
>
> (b) the variety were registered in accordance with regulations under section 18(1)(c) of the 1997 Act; and
>
> (c) in relation to that right, the date of publication of the application and date of priority were the date of application and date of priority of the corresponding Community plant variety right.
>
> (3) Accordingly, on and after IP completion day, the provisions of the 1997 Act (except sections 1(1), 3 to 5, 11 and 18(3) of, and Schedule 2 to, that Act), any regulations or orders made under that Act and any guidance given under that Act apply in relation to those existing EU rights.'

53. NCP accept that the 1997 Act was not derived from EU law but from the UK's obligations under UPOV 1991. However, they point out it was enacted at a time when the UK was a member of the EU and both the EU Regulation and the 1997 Act were enacted to implement the obligations under UPOV 1991.

The nature of the Plant Breeders' Right

54. Asda described the nature of the PBR in the following way, which NCP did not dispute, and which I accept. A key point is that new plant varieties do not emerge out of nowhere but are derived from previous existing varieties. Plant breeding essentially involves discovering or introducing genetic variation in a plant and then selecting from the available variation the desirable traits using skill and judgment, often aided by an array of technologies. As such, every 'new' variety is derived from at least one earlier variety to a greater or lesser degree. This is an important distinction from other IP rights.

55. With those general points in mind, it suffices to refer to the relevant provisions in the Act to explain the key features of the PBR.

56. It is necessary to start with section 1, mainly for its definition of 'variety' in s.1(3):

> '1 Plant breeders' rights.
>
> (1) Rights, to be known as plant breeders' rights, may be granted in accordance with this Part of this Act.
>
> (2) Plant breeders' rights may subsist in varieties of all plant genera and species.
>
> (3) For the purposes of this Act, "variety" means a plant grouping within a single botanical taxon of the lowest known rank, which grouping, irrespective of whether the conditions for

> the grant of plant breeders' rights (which are laid down in section 4 below) are met, can be—
>
> (a) defined by the expression of the characteristics resulting from a given genotype or combination of genotypes,
>
> (b) distinguished from any other plant grouping by the expression of at least one of those characteristics, and
>
> (c) considered as a unit with regard to its suitability for being propagated unchanged.'

57. A point arises which applies generally throughout the Act and also the international treaty from which it derives. Both use the term genotype but they do not use the term phenotype. Instead, as can be seen from s.1(3)(a), reference is made to '*the expression of the characteristics resulting from a given genotype or combination of genotypes*'. It is the inclusion of those last four words which I think explains why the term phenotype was not used. If one is dealing with a single genotype, the term phenotype is appropriate, but I suspect not when a combination of genotypes is involved.

58. To qualify for a plant breeders' right, the plant variety must satisfy the conditions of section 4(2) of the Act, namely that the variety must be (a) distinct, (b) uniform, (c) stable and (d) new, each of those terms being further defined in section 4:

i) A variety is deemed **distinct** if it is clearly distinguishable by one or more characteristics which are capable of a precise description from any other variety whose existence is a matter of common general knowledge at the time of the application.

ii) A variety is deemed **uniform** if subject to the variation that may be expected from the particular features of its propagation, it is sufficiently uniform in those characteristics which are included in the examination for distinctiveness.

iii) A variety is deemed **stable** if its relevant characteristics (including those included in the examination for distinctiveness), remain unchanged after repeated propagation or, in the case of a particular cycle of propagation, at the end of each such cycle.

iv) A variety is deemed **new** if no disposal of propagating or harvested material of the variety for the purposes of exploiting the variety has taken place with the consent of the applicant in:

a) the territory of the contracting party (i.e. the UK) earlier than one year before the date of the application; and

b) any other territory earlier than four years (or in the case of trees and vines, six years) before the date of the application.

59. The person entitled to the grant of a plant breeders' right for a qualifying variety is the person who breeds it, or discovers and develops it, or his successor in title, save that if a variety is bred or discovered and developed by a person in the course of their

employment, then subject to any agreement to the contrary, the employer (or their successor in title) is the person entitled to the plant breeders' right for that variety.

60. In Part 1 of the Act, sections 6 and 7 fall under the heading 'Scope of plant breeders' rights', with section 6 entitled 'Protected Variety' and section 7 'Dependent varieties'. Section 6 of the Act reflects the original scope of the PBR and section 7 the extension which was brought in by UPOV 1991.

61. Section 6(1) entitles the holder of the PBR to prevent anyone doing a series of acts as respects the propagating material of the protected variety without his authority. Section 6(1) and (2) provide as follows.

> '(1) Plant breeders' rights shall have effect to entitle the holder to prevent anyone doing any of the following acts as respects the propagating material of the protected variety without his authority, namely—
>
> (a) production or reproduction (multiplication),
>
> (b) conditioning for the purpose of propagation,
>
> (c) offering for sale,
>
> (d) selling or other marketing,
>
> (e) exporting,
>
> (f) importing,
>
> (g) stocking for any of the purposes mentioned in paragraphs (a) to (f) above, and
>
> (h) any other act prescribed for the purposes of this provision.
>
> (2) The holder of plant breeders' rights may give authority for the purposes of subsection (1) above with or without conditions or limitations.'

62. Section 6(1) and (2) correspond closely to Art 14(1)(a) and (b) of the UPOV Convention. Likewise section 6(3) to Art 14(2).

63. Section 6(3) extends those rights to 'harvested material' in the following circumstances (emphasis added to identify the key part of this subsection which is engaged by the second issue):

> '(3) The rights conferred on the holder of plant breeders' rights by subsections (1) and (2) above shall also apply as respects harvested material obtained through the unauthorised use of propagating material of the protected variety, <u>unless he has had a reasonable opportunity before the harvested material is obtained to exercise his rights in relation to the unauthorised use of the propagating material</u>.'

64. It is unnecessary to set out the remainder of section 6 which is not relevant for present purposes, save perhaps for one definition in s.6(6)(b) which provides that 'references to harvested material include entire plants and parts of plants'.

65. For the moment, I pass over section 7 and complete this general review of the Act by referring briefly to the exceptions to the rights that are set out at sections 8 and 9 of the PVA 1997. Pursuant to section 8 of the PVA 1997 (and the UPOV Convention Art 15(1), the breeders' right does not extend to acts done for:

    i) private and non-commercial purposes;

    ii) experimental purposes; or

    iii) the purpose of breeding another variety.

66. The UPOV Convention also permits contracting states to restrict the breeders' right in relation to any variety in order to permit farmers to use, or to replant on their own farms, seeds of a protected variety that they have saved from their own harvest. This is implemented in section 9 of the PVA 1997.

UK implementation of Art 14(5)

67. Section 7 of the Act extends the section 6 rights to dependent varieties and represents the UK implementation of Art 14(5) of the UPOV Convention. Section 7 provides as follows, in which I have underlined the key phrases, with additional emphasis on two important words: 'retaining' and 'conforms':

> '7. Dependent varieties.
>
> (1) The holder of plant breeders' rights shall have, in relation to any variety which is dependent on the protected variety, the same rights as he has under section 6 above in relation to the protected variety.
>
> (2) For the purposes of this section, one variety is dependent on another if—
>
> (a) its nature is such that repeated production of the variety is not possible without repeated use of the other variety, or
>
> (b) it is essentially derived from the other variety and the other variety is not itself essentially derived from a third variety.
>
> (3) For the purposes of subsection (2) above, a variety shall be deemed to be essentially derived from another variety ("the initial variety") if—
>
> (a) it is predominantly derived from—
>
> (i) the initial variety, or

> (ii) a variety that is itself predominantly derived from the initial variety,
>
> while retaining the expression of the essential characteristics resulting from the genotype or combination of genotypes of the initial variety,
>
> (b) it is clearly distinguishable from the initial variety by one or more characteristics which are capable of a precise description, and
>
> (c) except for the differences which result from the act of derivation, it conforms to the initial variety in the expression of the essential characteristics that result from the genotype or combination of genotypes of the initial variety.
>
> (4) For the purposes of subsection (3) above, derivation may, for example, be by—
>
> (a) the selection of—
>
> (i) a natural or induced mutant,
>
> (ii) a somaclonal variant, or
>
> (iii) a variant individual from plants of the initial variety,
>
> (b) backcrossing,
>
> (c) transformation by genetic engineering.
>
> (5) Subsection (1) above shall not apply where the existence of the dependent variety was common knowledge immediately before the coming into force of this Act.'

68. I shall have to return to the questions of interpretation of section 7 later. In this case Asda do not dispute that Tang Gold is derived from Nadorcott. However, the issues of interpretation centre on the meaning of the words 'retaining' and 'conforms', both of which relate to 'the expression of the essential characteristics resulting/that result from the genotype'.

69. Underpinning those issues of interpretation is the more general policy question of whether the concept of EDV should be interpreted narrowly (so as not to hinder the development of new varieties) or more broadly (to prevent so-called plagiarism).

The concept of Essentially Derived Varieties (EDVs) and its development

Specific provisions relied upon from the UPOV Convention

70. This case is concerned with Art 14(5)(a)(i), (b) & (c).

71. Art 14(5) of the 1991 UPOV Convention provides as follows (my emphasis):

> '(5) [Essentially derived and certain other varieties]
>
> (a) The provisions of paragraphs (1) to (4) shall also apply in relation to
>
> (i) varieties which are essentially derived from the protected variety, where the protected variety is not itself an essentially derived variety,
>
> (ii) varieties which are not clearly distinguishable in accordance with Article 7 from the protected variety and
>
> (iii) varieties whose production requires the repeated use of the protected variety.
>
> (b) For the purposes of subparagraph (a)(i), a variety shall be deemed to be essentially derived from another variety ("the initial variety") when
>
> (i) it is predominantly derived from the initial variety, or from a variety that is itself predominantly derived from the initial variety, while retaining the expression of the essential characteristics that result from the genotype or combination of genotypes of the initial variety,
>
> (ii) it is clearly distinguishable from the initial variety and
>
> (iii) except for the differences which result from the act of derivation, it conforms to the initial variety in the expression of the essential characteristics that result from the genotype or combination of genotypes of the initial variety.
>
> (c) Essentially derived varieties may be obtained for example by the selection of a natural or induced mutant, or of a somaclonal variant, the selection of a variant individual from plants of the initial variety, backcrossing, or transformation by genetic engineering.'

The background to the relevant legislation on EDVs

72. In differing ways, each side drew attention to aspects of the legislative history. In order to understand the arguments, I must outline the developments and it is convenient to do that in chronological order.

73. I don't believe it was disputed that:

i) the assessment of whether a dependent variety is an EDV (and the scope of s.6(3) and the reasonable opportunity limitation) have only been the subject of judicial interpretation and application a handful of times throughout the world, never in the UK.

ii) In the case of EDVs, none of the jurisprudence addresses the specific issues that arise in this case.

74. For those reasons, Asda contended it was necessary, when seeking to construe the relevant statutory provisions of the Act, to consider the policy justifications behind the introduction of the EDV concept. Asda explained the policy considerations that they said gave rise to the introduction of the concept of essentially derived varieties as follows.

Policy considerations

75. First, Asda pointed out correctly that it is never an infringement of a plant variety right to use the variety for further breeding. Therefore, as new breeding technologies emerged, there was a concern that these new technologies would enable (or even encourage) copying of existing protected varieties (sometimes referred to as 'plagiarism'). Specifically, there were concerns that given the relatively low threshold for distinctiveness, the new breeding technologies would enable new varieties to be created by allowing small (and insignificant) genetic changes to be introduced into successful varieties. These genetic changes would render the new variety 'distinct' from the original variety in some insignificant characteristic and so qualify for a breeder's right. The right owner of the new variety could then market the new variety in direct competition with the original variety, simultaneously free-riding on the skill and effort of the breeder of the original variety whilst eroding the commercial value of the original variety.

76. Asda drew attention to this passage in what they characterised as the main academic textbook on plant variety rights, *European Union Plant Variety Protection* by Dr Gert Würtenberger *et al*, June 2021, where the authors state as follows:

> '6.21 Although a rule of unrestricted access to protected varieties for the development of new varieties, as well as the exploitation of those new varieties, has been an internationally accepted rule for many years, it has also been criticized on several occasions over the years. This is because of the risk of plagiarism. The requirement of distinctness is relatively easy to comply with (see Chapter 3, paragraphs 3.11 et seq). Due to this fact, a breeder could, to a certain extent, be in competition with his own variety, if this variety had been changed slightly by a competitor. For example, the competitor might have added one relatively (commercially) unimportant (but distinctive) characteristic to the 'old' variety and then applied for protection for this 'new' variety in turn.
>
> 6.22 In order to cope with this problem, Article 14(5) of the 1991 UPOV Convention introduced an important new rule which constitutes an exception to the principle of independence. This rule has also been included in the Regulation. Pursuant to Article 13(5)(a), the provisions of paragraphs 1 to 4 of that Article also apply in relation to varieties which are essentially derived from the variety in respect of which the Community plant variety right

> has been granted, where this variety is not itself an essentially derived variety.'

77. Asda sought to illustrate this as follows: assume a plant breeder has bred a particularly crisp and juicy variety of apple, following an extensive (and expensive) breeding programme, for which they obtained a plant breeders' right. Such is the commercial value of this new apple variety that its propagating material commands a premium price. A second breeder comes along and using the latest molecular biology techniques introduces, a small mutation resulting in the introduction of a tiny, but perceptible, small spot at the base of each leaf. This new spot is uniformly and stably expressed and enables this new variety to be clearly distinguishable from the original variety. The second breeder can therefore obtain its own breeder's right in respect its variety and sell propagating material of that variety in direct competition with the original.

78. To prevent this, Asda argued that UPOV introduced into the 1991 UPOV Convention, at Art 14(5), the concept of "essentially derived varieties" to which the scope of the plant breeders' rights was extended. The breeders' exception permits a second breeder to breed an EDV from an initial variety (without the authorisation of the breeder of the initial variety), but the second breeder does then require the authorisation of the breeder of the initial variety to commercially exploit the new EDV.

The legislative history of the UPOV Convention 1991

79. Asda submitted that the Records of the Diplomatic Conference for the Revision of the International Convention for the Protection of New Varieties of Plants, Geneva 1991 (the **Records of the Diplomatic Conference**) record that the text of the basic proposal for new Art 14(5) was enacted into the 1991 UPOV Convention with only a minor amendment to the definition in what became 14(5)(b)(i) together with a resolution that was passed to start work immediately after the Conference on the establishment of draft standard guidelines.

80. The original text for the first limb of the test was that:

> 'it is predominantly derived from the initial variety, or from a variety that is itself predominantly derived from the initial variety, particularly through methods which have the effect of conserving the essential characteristics that are the expression of the genotype or of the combination of genotypes of the initial variety, such as the selection of a natural or induced mutant or of a somaclonal variant, the selection of a variant, backcrossings or transformation by genetic engineering'

81. The adopted text was:

> 'it is predominantly derived from the initial variety, or from a variety that is itself predominantly derived from the initial variety, while retaining the expression of the essential characteristics that result from the genotype or combination of genotypes of the initial variety'

82. Although various delegations put forward various proposals for amendments to the text of basic proposal in respect of EDVs, Asda suggested these were relatively minor. The delegations seemed to agree in principle to the extension of the plant breeders' right to EDVs, although the precise formulation was considered to be rather imprecise and open to ambiguity as to the precise threshold for an EDV, hence the resolution for the publication of guidelines. Asda submitted that this nature of the debate was encapsulated in the observation of Mr Ardley from the UK (at paragraph 1087, in response to a proposal from the Japanese delegation to delete the examples of methods from Art 14(2)(b)(i)):

> 'Mr. ARDLEY (United Kingdom) stated that his Delegation had some difficulty with the proposal because it felt that the words in the Basic Proposal: "conserving the essential characteristics that are the expression of the genotype…" were very important. He was not sure that the words "direct descendant" and: "a very small number of modifications" used in the proposal conveyed the same meaning. In addition, "direct descendant" was unclear and "very small number" did not have any regard for the relative importance of the modifications. A small number of modifications might have a large effect on the variety. In conclusion, his Delegation preferred to retain the Basic Proposal.'

83. Asda drew attention to the fact that none of the delegates commented on any apparent internal inconsistency in the proposed definition of EDV as set out in what became Art 14(5)(b).

84. Before I return to consider the specific issues of statutory interpretation which arise on section 7, I need to mention other implementations of Art 14(5) which were relied upon.

Other implementations of UPOV 1991

85. One of NCP's arguments was that section 7 of the Act should be interpreted consistently with the way UPOV 1991 was understood by the EU legislature. NCP acknowledged that the EU legislators did not simply copy out the relevant provisions of the UPOV Convention, but contended that they '*instead drafted the EU Regulation to put UPOV 1991 into effect*'.

86. In the EU Plant Variety Regulation, the definition of EDV is implemented by Article 13(6) which provides that (my emphasis):

> 'For the purposes of paragraph 5 (a), a variety shall be deemed to be essentially derived from another variety, referred to hereinafter as 'the initial variety' when:
>
> (a) it is predominantly derived from the initial variety, or from a variety that is itself predominantly derived from the initial variety;
>
> (b) it is distinct in accordance with the provisions of Article 7 from the initial variety; and

> (c) except for the differences which result from the act of derivation, it conforms essentially to the initial variety in the expression of the characteristics that results from the genotype or combination of genotypes of the initial variety.

87. For their part, Asda contended it was clear that the EU Plant Variety Regulation does not implement Art 14(5)(b)(i). I agree there is no provision in Art.13(6) of the EU Regulation equivalent to Art. 14(5)(b)(i). Asda pointed out that in a speech given on 11 September 2002, the President of CPVO, Bart Kiewiet, sought to explain this difference (and argue in support of a broader definition for EDVs) on the basis that that the text of Art 14(5)(b)(i):

> "was the result of a not entirely successful attempt to simplify the originally proposed and rather complicated text, which did not contain the additional sentence "while retaining …" and that "nowhere is it evidence that the Diplomatic Conference wanted to alter the tenor of the proposed provision".

88. Asda suggested that Mr Kiewiet's explanation that the Community legislator was acting in line with the intentions of UPOV should not be accepted. They acknowledged that he was correct that the basic proposal for what became Art 14(5)(b)(i) did not contain the "*while retaining*" language, it did require that the act of derivation had the effect of "*conserving the essential characteristics that are the expression of the genotype or of the combination of genotypes of the initial variety*". Asda agreed that there is no evidence that the Diplomatic Conference wanted to alter the tenor of the proposed provision but submitted that the tenor of the proposed provision was to require that the essential characteristics of the initial variety had to be "conserved" (or "retained") in the EDV. Asda's point was that the definition of the EU Plant Variety Regulation does not require this key condition.

89. By contrast, Australia has implemented Art 14(5)(b) by adopting the following definition of essentially derived at section 4 of the Plant breeders' Rights Act 1994 (again, my emphasis):

> A plant variety is 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.

90. So the Australians have implemented the 1991 UPOV Convention so as to give a narrow definition to EDV whereby not only must the essential characteristics be retained, but no other important (as distinct from cosmetic) features that differentiate it from that initial variety may be exhibited. So a derived variety which retained the

essential characteristics of the initial variety but also exhibited an additional important characteristic would not be an EDV.

91. Asda drew attention to a 'White Paper' on 'Essentially Derived Varieties', 20 February 2019, written by Roberto Manno, an Italian IP lawyer, in which he praises the certainty of the Australian approach (which also includes a definition of "essential characteristics"), which he believes reflects the Mission Statement of UPOV. Mr Manno was also of the view that extending the rights of an initial variety holder regardless of the number of distinct additional new characteristics which are introduced into the new variety, simply because it has been obtained using one initial protected variety, would extend far beyond the scope determined by the characteristics which he believes was not the intention of the legislator.

92. Asda also relied on a similar article, entitled '*Essentially Derived Varieties on View of New Breeding Technologies – Plant Breeders' Rights at a Crossroads'* (2021) GRUR International 70(1) 11-27, written by Mr Michael Kock, a Swiss Patent Attorney, in which he proposed an alternative framework for EDV determination, consistent with the Australian approach, comprising a white zone for clear non-EDVs, a black zone for clear EDVs and a grey zone in the middle to be decided on a case-by-case basis:

Table 1: Guidelines for EDV determination

	Initial Variety	Derived Variety
'White Zone' 'Clear Non-EDV'	No clear essential characteristic (incremental variety)	New value-adding characteristic (differentiating variety)
	Clear essential characteristic (differentiating variety)	IV's essential characteristic not retained. New value-adding characteristic (differentiating variety)
'Grey Zone' 'Case-by-case'	Clear essential characteristic (differentiating/breakthrough variety)	New value-adding characteristic
	Clear essential characteristic (differentiating variety) Negative characteristic	New value-adding characteristic which 'repairs' the negative characteristic.
	No clear essential characteristic (incremental variety)	Change of a non-essential characteristic
'Black Zone' 'Clear EDV'	Clear essential characteristic (differentiating variety)	Change of a non-essential characteristic or insubstantial change of an essential characteristic (no added value).

93. Asda acknowledged that, as compelling as Mr Kock's proposal is as an appropriate framework for the future, there is no escaping that the language of the 1991 UPOV Convention (and the Act) differs from both the Australian 1994 Act and the EU Plant Variety Regulation.

94. Accordingly, Asda reminded me that, when interpreting the text of the Act (and the 1991 UPOV Convention), one needs to be careful to distinguish between commentary which reflects the intention of the legislators of UPOV Convention on the one hand and that of stakeholders espousing their views of what the UPOV Convention should (rather than does) achieve on the other.

The UPOV Notes

95. NCP drew attention to two passages in the UPOV Notes.

96. First, the UPOV Notes on Essentially Derived Varieties explain at §5(a) that where a variety has a single parent (i.e. it is "mono-parental") and results from mutations, generic modification or genome editing then such varieties are *per se* predominantly derived from their initial variety.

97. Second, NCP contended that the same notes (at §19) are also clear that UPOV 1991 does not set an upper limit to the number of differences that an essentially derived variety may possess and that this may vary depending on the circumstances but does not preclude that the differences which result from the act of derivation may also include essential characteristics.

98. As a result, NCP submitted that, overall, whether a variety is an essentially derived variety is determined by the facts of its derivation and whether, excepting differences resulting from the act of derivation, it can be said still to conform to the essential characteristics of the initial variety. This is an evaluative assessment to be made on a case-by-case basis.

99. For their part, Asda relied on several passages in the UPOV Notes which addressed specific elements in Art 14(5), as follows:

"predominantly derived"

100. Paragraph 4 of the EDV Explanatory Notes states that:

> Predominant derivation concerns the genetic source of the essentially derived variety. The requirement of predominant derivation from an initial variety, or from a variety that is itself predominantly derived from the initial variety, is one of the key requirements for a variety to be considered an EDV. Predominant derivation implies that a variety can only be derived from one initial variety.

"essential characteristics"

101. Asda pointed out that the term 'characteristics' appears repeatedly throughout the PVA 1997, including in the definition of 'variety' at section 1(3) (as set out above).

102. The term also features in the requirements for distinctiveness, uniformity and stability. The requirement of distinctiveness requires the variety to be clearly distinguishable from any other variety by "*one or more characteristics which are capable of a precise description*". The requirement of uniformity requires that subject to the expected variation resulting from its propagation it is "*sufficiently uniform in those characteristics which are included in the examination for distinctiveness*". And the requirement of stability requires that "*those characteristics which are included in the examination for distinctness, as well as any others used for the variety description, remain unchanged after repeated propagation*". Accordingly the examination of Distinctiveness, Uniformity and Stability (DUS) which is central to the grant of a new plant variety requires consideration of the particular characteristics of that variety.

103. As Asda pointed out, however, the term "*essential characteristics*" is only used in section 7(3) of the PVA 1997. Specifically, it is used in section 7(3)(a) (which requires

the expression of the 'essential characteristics' of the initial variety to be *retained* in the EDV) and section 7(3)(c) (which requires the EDV to *conform* to the initial variety in the expression of the 'essential characteristics' of the initial variety). By contrast section 7(3)(b) requires that the EDV be clearly distinguishable from the initial variety by "*one or more characteristics which are capable of a precise description*" (with no requirement that those distinguishing characteristics be "essential characteristics").

104. Essential characteristics are dealt with at paragraphs 11-14 of the EDV Explanatory Notes which provide as follows:

> '11. Essential characteristics are characteristics that result from the expression of the genotype or combination of genotypes of the initial variety and include, but are not limited to, morphological, physiological, agronomic, industrial (e.g. oil characteristics) and/or biochemical characteristics.
>
> 12. "Essential characteristics" are characteristics that are fundamental for a variety as a whole. They should contribute to the principal features, performance or value for use of a variety and be relevant for one of the following: the producer, seller, supplier, buyer, recipient, user of the propagating material and/or of the harvested material and/or of the directly obtained products and/or the value chain.
>
> 13. Essential characteristics may or may not be characteristics used for the examination of distinctness, uniformity or stability (DUS) and/or used for the examination of value for cultivation and use (VCU).
>
> 14. Essential characteristics may evolve over time.'

105. Asda submitted that it is clear from this that 'essential' characteristics are those that are fundamental to the particular variety in any aspect of the variety's principal features, performance or value and at any point in the supply chain from propagation of the variety to the use of directly obtained products by the end user. Further the essential characteristics are not limited to the characteristics used for the examination of DUS (or VCU which must also be satisfied for agricultural crops) and can evolve over time. It is also clear that the essential characteristics will vary between types of varieties.

106. Asda's ultimate submission was that the essential characteristics of any given variety have to be assessed on a variety-by-variety basis. For example, petal (flower) colour is likely to be an essential characteristic of a variety of ornamental rose, but not of carrot. The sweetness of fruit is likely to be an essential characteristic of a variety of plum, but not of holly.

"clearly distinguishable"

107. Asda submitted that this term also causes no difficulty. The requirement that the EDV be "clearly distinguishable" from the initial variety simply requires the EDV to be distinct in the same way as is required to establish distinctiveness. This is consistent

with paragraph 15 of the EDV Explanatory Notes. It is not necessary that the EDV be "clearly distinguishable" from the initial variety in respect of an *essential* characteristic.

"retaining the expression of" and "conforms to the initial variety in the expression of"

108. It is these terms that, Asda submitted, are the hardest to comprehend, particularly in combination, in the context of section 7 of the Act. The requirements of sections 7(3)(a), (b) and (c) are cumulative. Therefore an EDV must both:

    i) retain the expression of the essential characteristics resulting from the genotype of the initial variety within the meaning of section 7(3)(a);

    ii) be clearly distinguishable from the initial variety by one or more characteristics capable of a precise description within the meaning of section 7(3)(b); and

    iii) conform to the initial variety in the expression of the essential characteristics that result from the genotype of the initial variety, except for the differences which result from the act of derivation within the meaning of section 7(3)(c).

109. As a matter of ordinary language, section 7(3)(a) requires the derived variety to 'retain' the expression of the essential characteristics of the initial variety, i.e. all essential characteristics expressed by the initial variety must be retained (expressed) in the derived variety. Accordingly if petal colour is an essential characteristic and that is expressed in the initial variety as red petals, then in order to 'retain' the expression of the essential characteristics of the initial variety, the derived variety must also express red petals. If the petals of the derived variety are white, then the expression of the essential characteristics of the initial variety has not been retained and the derived variety will not be an EDV.

110. Similarly, section 7(3)(c) requires that the derived variety conforms to the initial variety in the expression of the essential characteristics, except for the differences which result from the act of derivation. So where a difference in the expression of essential characteristics is the result of the act of derivation, these are to be excluded for the purposes of assessing (pursuant to section 7(3)(c)) whether the derived variety conforms to the initial variety in the expression of the essential characteristics that result from the genotype of the initial variety.

111. However, Asda contended that, taken as a whole, section 7 cannot apply so as to determine whether or not a derived variety is an EDV by airbrushing any differences which result from the act of derivation and *then* deciding whether or not what remains conforms to the initial variety. This, they said, is for at least the following reasons:

    i) such an interpretation would result in EDVs which do not retain the expression of the essential characteristics of the initial variety (because the loss or change of expression of an essential characteristic is the result of the act of derivation) when such varieties cannot be EDVs pursuant to section 7(3)(a);

    ii) in most cases the only genetic variation between the initial and derived varieties will be the result of the act of derivation, if those differences are always to be excluded under section 7(3)(c), then all predominantly derived varieties will be

> EDVs – irrespective of the extent to which they retain or conform to the expression of the essential characteristics of the initial variety;
>
> iii) if all differences attributable to the act of derivation are to be ignored, why does section 7(3) refer to the concept of 'essential characteristics' at all, as these are completely redundant?

112. Asda also contended that the EDV Explanatory Notes are not particularly helpful in respect of the interpretation of Arts 14(5)(b)(i) and 14(5)(b)(iii) (i.e. sections 7(3)(a) and 7(3)(b) of the PVA 1997) the relevant paragraphs of the EDV Explanatory Notes being [10] and [18]-[19]:

> 10. The wording of Article 14(5)(b)(i) requires that the expression of the essential characteristics that result from the genotype or combination of genotypes of the initial variety is retained.
>
> 18. Article 14(5)(b)(iii) explains that, except for the differences which result from the act of derivation, the variety concerned conforms to the initial variety in the expression of the essential characteristics that result from the genotype or combination of genotypes of the initial variety. Changes in the expression of multiple characteristics can result from different successive acts of derivation or may be obtained simultaneously.
>
> 19. Article 14(5)(b)(iii) does not set an upper limit as to the number of differences which may result from the act of derivation. The number of differences between an EDV and the initial variety is therefore not limited by Article 14(5)(b)(iii) to one or very few differences but may vary taking into account different methods of derivation. Article 14(5)(b)(iii) does not preclude that the differences which result from the act of derivation may also include essential characteristics.

113. Asda submitted that the two provisions can be reconciled if one understands the combined effect of Art 14(5)(b) (and section 7(3)) to mean that introducing a new characteristic whilst otherwise maintaining the phenotype of the initial variety will likely result in an EDV; whereas changing (or modulating) an existing essential characteristic will not. This, they submitted, makes sense: a variety that retains the expression of the essential characteristics of the initial variety retains the essence of the initial variety (for better or for worse) and so can be properly considered to be 'essentially' derived from that initial variety.

114. By way of conclusion, Asda contended that the statutory interpretation above is consistent not only with the language of section 7 but also the intention of the legislators, namely in achieving the appropriate balance between encouraging the breeding of new varieties whilst preventing plagiarism.

115. Asda also drew an analogy with patent law: a derived variety which "*retains the expression of the essential characteristics resulting from the genotype … of the initial variety*" can be considered to satisfy all the features of the claim of a patent, whereas if

an essential characteristic is not present the features of the claim are not satisfied. Similarly, a derived variety "*conforms to the initial variety in the expression of the essential characteristics that result from the genotype … of the initial variety*" satisfies all the features of the claim of a patent – whether or not additional features are also present in the alleged infringement.

116. Asda submitted that their construction, as explained above, is consistent with the exposition of the same in *European Union Plant Variety Protection*:

> 6.32. At the beginning of this section, the problem of plagiarism was mentioned as one of the reasons for the introduction of the rules concerning essentially derived varieties. Another reason for this introduction, which was only referred to indirectly and which is partly related to the first reason, is that in patent law, unlike plant variety protection law, the principle of independence does not apply. Taking into account modern biotechnology, a single patented gene can be inserted into a variety. As a consequence, this genetically modified variety will fall within the scope of protection of the patent. On the other hand, because of the principle of independence before the introduction of the rules regarding essentially derived varieties, the breeder of a certain variety (protected as such by a plant variety right) could not prohibit the use made of his variety by others in order to insert one or more genes into it (subsequently protected by a patent). Nor could he exploit the variety so modified. As a result, it was rightly submitted that a new balance between plant breeders and patent holders had to be established. Due to the introduction of the concept of essentially derived varieties, a variety which had already been protected by a plant variety right can now be considered to be the initial variety, whereas, after the insertion of the patented gene by the patentee, this variety can be regarded as being an essentially derived variety. In other words, the new rules concerning essentially derived varieties have strengthened the position of breeders, also in cases in which modern biotechnology plays an important role.
> …

ISSUE 1. THE DEPENDENT VARIETY ISSUE

117. This issue turns on the correct interpretation of section 7(3) of the Act, derived from Art. 14(5) of the UPOV Convention. Both sides agreed that the issue of interpretation is not easy. In consequence it is necessary to explain their respective arguments in some detail. It will assist if I outline the key issue at the outset.

118. I set out section 7 above, but now it suffices simply to concentrate on section 7(3) which provides as follows (emphasis added):

> '(3) a variety shall be deemed to be essentially derived from another variety ("the initial variety") if—
>
> (a) it is predominantly derived from—

> (i) the initial variety, or
>
> (ii) a variety that is itself predominantly derived from the initial variety,
>
> while **retaining** the expression of the essential characteristics resulting from the genotype or combination of genotypes of the initial variety,
>
> (b) it is clearly distinguishable from the initial variety by one or more characteristics which are capable of a precise description, and
>
> (c) except for the differences which result from the act of derivation, it **conforms** to the initial variety in the expression of the essential characteristics that result from the genotype or combination of genotypes of the initial variety.'

NCP's arguments

119. Although I have touched on some parts of NCP's arguments already, in this section I set out NCP's arguments in full so none of the 'flow' is lost.

120. NCP began their argument with the first phrase in s.7(3)(a) of the Act: a dependant variety must be predominantly derived from the initial variety. NCP then pointed to s.7(4) as giving examples of derivation which include the selection of an induced mutant or transformation by genetic engineering. Quite plainly, NCP submitted, more than minimal or trivial changes were envisaged by the legislator. NCP's arguments continued as follows.

121. Section 7(3)(a) then says that the variety must be predominantly derived from the initial variety "*while retaining the expression of the essential characteristics resulting from the genotype or combination of genotypes of the initial variety*".

122. Read on its own, this might suggest that *all* the essential characteristics of the initial variety must be retained. Of course, the Act does not say that and, in any event, such an interpretation would not be consistent with s.7(3)(c) – indeed it would render s.7(3)(c) redundant.

123. Section 7(3)(c) could not be clearer that "*except for the differences which result from the act of derivation"* the new variety must conform to the initial variety in the expression of the essential characteristics of the initial variety.

124. Section 7 must be read a whole. The combined effect of s.7(3)(a) and (c) is that the essentially derived variety must retain and conform to the expression of the essential characteristics resulting from the genotype of the initial variety, except for differences that result from the act of derivation.

125. This interpretation accords with how UPOV 1991 was understood by the EU legislator when the EU Regulation was enacted.

126. The wording used in the Act was copied from Art. 14(5)(b)(i) and (iii) UPOV 1991, whereas the EU legislator did not simply copy out UPOV 1991 but instead drafted the EU Regulation to put UPOV 1991 into effect.

127. In so doing, the rather redundant words of Art. 14(5)(b)(i) of UPOV 1991 ("while retaining the expression of the essential characteristics resulting from the genotype or combination of genotypes of the initial variety") were omitted in Art. 13(6) of the EU Regulation.

128. Art. 13(6) of the EU Regulation requires the new variety:

i) To be predominantly derived from the initial variety;

ii) To be distinct by reference to clearly distinguishable characteristics; and

iii) Except for the differences which result from the act of derivation, to conform essentially to the initial variety in the expression of the characteristics of the initial variety (on this point, NCP said that the EU Regulation also sensibly makes clear that what matters is that the new variety conforms essentially to the initial variety in the expression of the characteristics of that variety).

129. There is no reason for the 1997 Act to be given a different interpretation to the EU Regulation (which came into force on 1 September 1994 and so prior to the UK Act) or to think that Parliament intended a different approach to be taken in the UK than in the rest of the EU – particularly when at the time the UK was within the EU.

130. The UPOV Notes on Essentially Derived Varieties explain at §5(a) that where a variety has a single parent (i.e. it is "mono-parental") and results from mutations, generic modification or genome editing then such varieties are *per se* predominantly derived from their initial variety.

131. The same notes (at §19) are also clear that UPOV 1991 does not set an upper limit to the number of differences that an essentially derived variety may possess and that this may vary depending on the circumstances but does not preclude that the differences which result from the act of derivation may also include essential characteristics.

132. Overall, whether a variety is an essentially derived variety is determined by the facts of its derivation and whether, excepting differences resulting from the act of derivation, it can be said still to conform to the essential characteristics of the initial variety. This is an evaluative assessment to be made on a case-by-case basis.

Asda's arguments

133. I have set these out already, as they were focussed on Art. 14(5) of the UPOV Convention.

Interpretation of s.7(3)

134. There is no doubt that the purpose of Art.14(5) of the UPOV Convention and s.7(3) of the Act was and remains to strike the balance between encouraging the development of new plant varieties whilst protecting breeders from so-called 'plagiarism'. However, I

did not find any of the UPOV Notes or the individual expressions of opinion assisted to determine precisely where this balance lay.

135. In this regard, whilst the approach taken by the EU legislature deserves respect, in essence it represents a view as to how Art.14(5) of the UPOV Convention should be implemented, along with the implementation in Australia, none of which are binding.

136. I concluded that I should apply the recognised principles of statutory interpretation (as set out above) to section 7(3). When I do this, the outcome is straightforward. Section 7(3) requires the following elements to be met before a variety is deemed to be essentially derived from an initial variety:

i) predominant derivation from either the initial variety or a variety that is itself predominantly derived from the initial variety;

ii) while retaining the expression of the essential characteristics resulting from the genotype or combination of genotypes of the initial variety;

iii) it is clearly distinguishable from the initial variety by one or more characteristics which are capable of a precise description; and

iv) except for the differences which result from the act of derivation, it conforms to the initial variety in the expression of the essential characteristics that result from the genotype or combination of genotypes of the initial variety.

137. It is particularly notable that section 7(3) faithfully follows Art.14(5) of the UPOV Convention. Each of these elements is expressed precisely and deliberately, embodying a number of concepts which are particular to this specialised field of plant variety rights although I acknowledge that the words 'retaining' and 'conforms' are not among them. In these circumstances, these words must be interpreted to bear their normal meaning.

138. In their arguments, NCP suggested various ways to negate or downplay the impact of the word 'retain': see [122], [124] and [127] above. I did not find any of those suggestions at all persuasive. To the contrary, in fact, in view of the deliberate wording of section 7(3).

Application to the facts

NCP's case

Some basic concepts of citrus biology

139. When presenting their case as to why Tang Gold is an essentially derived variety of Nadorcott, NCP relied on the following aspects of citrus biology, drawn from the experts' reports, which I did not understand Asda to dispute. Indeed, both sides relied on aspects of Dr Luro's Report, which I can summarise as follows.

140. He explained that an important characteristic of citrus species (including mandarins) is the relative ease with which they may be hybridised with other citrus species to produce fertile hybrids (Luro 1, [14]).

141. Citrus plants reproduce sexually through the production of two types of gametes (specialised reproductive cells containing half the normal number of chromosomes) (Luro [17]):

    i) Pollen grains. Citrus pollen is heavier than most wind-dispersed pollen and mainly spread by insects such as bees.

    ii) Ovules. These are larger immobile gametes that remain within the flower. When fertilised by pollen they develop into seeds enclosed by a fruit that protects the embryo.

142. Citrus gametes are produced through meiosis, a specialised type of cell division. Before division occurs, there is random reshuffling of genetic material which ensures that offspring from the same parents are genetically unique (Luro [18]).

143. Sexual reproduction occurs when pollen from one tree fertilises an ovule from another tree. The fertilised egg will develop into the embryo of a new plant which will comprise genetic material (DNA) from both parental trees.

144. Citrus trees (in common with many flowering plants) are also hermaphrodites, as each flower produces both male gametes (i.e. pollen) and female gametes (i.e. ovules). In many cases it is possible for citrus plants to self-fertilise, creating seeds that are entirely derived from the genetic material of one parent, but are not genetically identical to their parent due to the reshuffling that occurs during meiosis (Luro [20]).

145. When citrus pollen lands on the female part of a citrus flower the pollen grain must germinate and grow a tube-like structure which will tunnel down into the flower, following a gradient of chemical signals, until it reaches the ovule (Luro 1, [21]). However a pollen grain can only germinate and fertilise ovules which produce compatible chemical signals which the pollen grain is capable of detecting and acting upon. The pollen of some varieties will be incompatible with the ovules of others and *vice versa*. Trees of incompatible varieties will not produce seeds in each other's fruit, even if pollen is successfully transferred between their flowers; whereas trees of compatible varieties will produce seeds sexually.

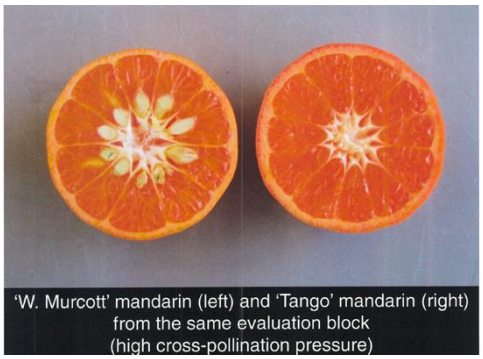
146. A variety of citrus plant is said to be self-incompatible if its own pollen is not capable of fertilising its own ovules to produce seeds (Luro [22]).

147. Citrus plants can be reproduced asexually through grafting of budwood. This is typically achieved by amputating a citrus branch containing several buds (budwood) and then grafting the amputated branch (known as the scion) onto a more mature citrus tree from which the trunk and branches have been removed (known as the rootstock). Over time, the two plants will merge together, producing a citrus tree with a trunk and branches that are genetically identical to the scion donor and roots that are genetically identical to the rootstock donor. This is how essentially all commercially grown citrus trees are produced (Luro [25]).

148. Many citrus varieties are parthenocarpic, in that they can develop fruit without fertilisation. Such fruit will be seedless (Luro 1, [24]).

149. Both Nadorcott and Tang Gold are self-incompatible and parthenocarpic. The inevitable consequence of this trait is that when trees of Nadorcott (or Tang Gold) are exclusively pollinated by their own pollen they will produce seedless fruits. However, Nadorcott produces viable pollen which is capable of fertilising compatible neighbouring varieties producing seedy fruit. The pollen of Tang Gold is non-viable and so incapable of fertilising neighbouring varieties. Similarly Nadorcott produces viable ovules which are capable of being fertilised by pollen of compatible neighbouring varieties producing seedy fruit. As the ovules of Tang Gold are non-viable and sterile they are incapable of being fertilised by neighbouring varieties.

150. Nadorcott trees in South Africa have been observed to get up to 24 seeds per fruit when cross-pollinated with a naartfjie mandarin (Affidavit Marius Kleyn, para 11). The seediness of Nadorcotts when grown adjacent to compatible mandarin species, as compared to the ever-seedless Tang Golds can be seen below (this image is taken from the slide deck at **E2-82)**:



151. It is important to appreciate that both this image and the underlying point are pieces of advocacy. It needs to be assessed whether 'high cross-pollination pressure' is a relevant circumstance.

The shared characteristics of Nadorcott and Tang Gold

152. The parties agree that there are only two differences between Nadorcott and Tang Gold. These are CPVO characteristics 18 and 68 – as recorded in the Agreed Facts at [23] above. By way of confirmation of this, reference was also made to the CPVO Board of Appeal Decision on Tang Gold at p.11 of the decision.

153. It is agreed that these differences arose from the irradiation (see Agreed Facts [23]-[26]). Further, it is agreed that the very purpose of the irradiation was to produce these differences (Agreed Facts [20]). Both differences relate to fertility.

154. As regards other characteristics (for instance, easy to peel (CPVO 45), fruit size and surface roughness (CPVO 21 and 41)) these are all shared between the two varieties, with Tang Gold retaining all of these characteristics.

155. NCP developed their case by reference to the following additional points.

156. In a US Agriculture and Natural Resources blog dated 7 February 2011 it was reported that consumers would not even notice the difference between Nadorcott and Tang Gold. It quotes Prof Roose from UC Riverside (one of those who worked on Tang Gold)

explaining that Tang Gold is "like a car with all the details of the previous year's model, but one that gets 10 miles more per gallon".

157. In an article entitled "Tango mandarins soon to appear in produce aisle" published on 5 January 2011 on the FarmProgress website, it was reported that the new variety (in the US called "Tango") "maintains the best W. Murcott traits".

158. One of the shared characteristics is that Nadorcott is self-incompatible. This is a characteristic that is present in some varieties of mandarin and means that if the pollen grains of Nadorcott come into contact with a stigma of the same variety, they will be incapable of fertilising its own ovules to produce seeds. The inevitable consequence is that when Nadorcott is exclusively pollinated by its own pollen, its fruit is seedless (Luro [22-23] & [30]).

159. The evidence of the growers in South Africa (relied on by Asda under its CEA Notice) confirm that seedless fruit in Nadorcott is obtained by planting it away from other varieties to prevent cross-pollination (see the affidavits of Kleyn [12], Boyes [9], Hall [8-9]). An alternative to achieve seedless fruit is to grow Nadorcott under netting to prevent cross-pollination.

160. NCP say that this characteristic is retained in Tang Gold. Being self-incompatible is characteristic 77 and therefore a different characteristic to 18 and 68 discussed above. Dr Luro explained that self-incompatibility results from the reproductive organs producing signalling chemicals which are incompatible with the signal receptors in the same variety's own pollen, with the result that the pollen tube is unable to grow to reach and fertilise the ovules to produce a seed (Luro [33]).

161. Dr Luro explained that this is the case with Tang Gold, which has retained the characteristic of being self-incompatible, but *also* has a "general reduction in fertility, even if no other traits are affected" (Luro [33]).

162. NCP also say that this is confirmed by the DUS report for Tang Gold, which reports the testing undertaken by IVIA (the Instituto Valenciano de Investigaciones Agrarias) at the request of the CPVO (during the application by UCR to register Tang Gold as a CPVR) which describes CPVO Characteristic 77 (UPOV characteristic 110) "self-incompatibility" as "present" in Tang Gold.

NCP's case that Tang Gold is essentially derived from Nadorcott

163. NCP say that Tang Gold is essentially derived from Nadorcott for the following reasons.

164. **First,** it is a mono-parental variety which was factually derived from Nadorcott by an induced mutation. It is therefore predominantly derived from Nadorcott and meets the requirements of s.7(3)(a) of the Act, and falls within the examples in s.7(4) of the Act.

165. **Second,** it is clearly distinguishable from Nadorcott by characteristics 18 and 68 (i.e. by its reduced fertility) and therefore meets the requirement of s.7(3)(b) of the Act.

166. **Third,** except for differences 18 and 68 (differences which Asda accept result from the act of derivation), it retains and conforms to Nadorcott in the expression of the essential characteristics of Nadorcott and so meets the requirement of s. 7(3)(c) of the Act.

167. I accept the first two reasons, which I did not understand Asda to dispute. Whether the third is valid depends on an assessment of the essential characteristics of Nadorcott.

Asda's case

168. On this point, Asda submitted that seediness and pollen viability are essential characteristics of mandarin oranges and of Nadorcott.

169. First, Asda pointed out that NCP did not plead any specific characteristics of mandarin oranges as being essential characteristics within the meaning of sections 7(3)(a) and/or 7(3)(c). In their Defence, Asda identified two essential characteristics the expression of which Asda contend are not retained in the Tang Gold variety: namely pollen viability and seediness (resulting from cross-pollination). Asda also pointed out that NCP did not respond to this allegation in its Reply and did not plead a positive case that these characteristics are not essential characteristics of mandarin oranges or Nadorcott.

170. Second, Asda submit that it is common ground that Nadorcott and Tang Gold differ in respect of their expression of these characteristics (see paragraphs 14-15 of the Agreed Statement of Facts for Trial (as set out at [23]-[24] above)). Paragraph 14 states that the characteristics that distinguish the two varieties are as follows:

    i) Nadorcott produces viable pollen which, under conditions of open cross-pollination, will generate seeds in the fruit of other compatible citrus varieties whereas the pollen of Tang Gold is essentially non-viable (CPVO Characteristic 18: Anther: viable pollen).

    ii) The fruits of Nadorcott, when cross-pollinised by pollen of compatible citrus varieties, are capable of forming seeds, whereas the fruits of Tang Gold proved to be essentially seedless when manual cross-pollination was tested under the CPVO protocol in the official technical examination conducted during the consideration of the application for registration of Tang Gold (CPVO Characteristic 68: Fruit: number of seeds (controlled manual cross-pollination).

171. Specifically, and as recorded in the footnotes to paragraph 14 of the Agreed Facts: (a) in respect of CPVO Characteristic 18: Anther: viable pollen, Nadorcott scores 3 (i.e. many) whereas Tang Gold scores 1 (i.e. absent or very few); and (b) in respect of CPVO Characteristic 68: Fruit: number of seeds (controlled manual cross-pollination), Nadorcott scores 3 (i.e. medium) whereas Tang Gold scores 1 (i.e. absent or very few).

172. On this basis, Asda say that the dispute (such as it is) is whether or not these characteristics are essential to *mandarins*. However, in the context of section 7(3) of the Act, I consider the dispute is whether or not these characteristics are essential characteristics of the Nadorcott *variety* of mandarin.

Analysis and Conclusions

173. I found my analysis on the explanation in the UPOV Notes as to how to identify those characteristics of a plant variety which are 'essential', as set out at [104] above. In the present case, the following considerations seem to me to be particularly material:

    i) Essential characteristics are those which are fundamental to the Nadorcott variety as a whole.

ii) They contribute to the performance or value for use of the Nadorcott variety.

iii) They should be relevant to one of the following: the producer, seller, supplier, buyer, recipient, user of the propagating material and/or of the harvested material and/or of the directly obtained products and/or the value chain.

iv) They may or may not be characteristics used for the examination of distinctiveness, uniformity or stability (DUS) and/or used for the examination of value for cultivation and use (VCU).

174. Mandarin oranges are grown to appeal to consumers so they will buy them. Consumers value the following characteristics in particular, in my view: taste, juiciness, easy-to-peel and very few or no seeds. Consumers do not care how those characteristics are produced. It is those characteristics which transmit up the distribution chain: retailers want them, which means distributors want them which means that the growers/farmers as users of the propagating material want them, which means that the suppliers of propagating material want them.

175. However, on this point the focus is on the users of the propagating material. If they grow Nadorcott mandarin oranges, the evidence is that either the trees must be covered with netting or they must be planted a sufficient distance away from other pollinating citrus varieties to avoid cross-pollination.

176. In his expert report, Dr Latado discussed the effects of this on growers:

> '10.3 When planning an orchard, choosing the cultivar to plant is a crucial decision for the grower. Mandarins are considered perennials, requiring significant investment for orchard development and long-term financial returns. In the specific case of the two cultivars (Nadorcott or Tang Gold), the decision to plant one or the other involves several factors (agronomic and commercial), including the two characteristics mentioned above: pollen fertility and seeded/seedless fruit production. These two characteristics also impact two other equally important decisions: planting location and orchard size. Depending on the cultivar selected, growers must first consider whether or not a minimum distance (a few kilometers) from neighboring orchards is necessary. In some cases, the grower may even choose not to use part of his farm in order to comply with this minimum distance requirement to other orchards (2 or 3 km away, as cited by Nadori, 2004). Another issue cited by Affidavit of Charles Boyes (High Court of South Africa, Case No. 16303/14) is the additional operational costs, as isolated orchards will need to be located some distance from other agricultural activities and operations, including equipment, irrigation, and labor.
>
> 10.4. Regarding orchard management, it has been previously mentioned that planting a cultivar that produces flowers with pollen grains and ovules containing low fertility eliminates the need for preventive measures to interrupt pollen flows between it and other nearby citrus cultivars (temporary covering of plants

> with netting or bee control). This allows for savings in production costs (for example, as cited by Affidavit of Charles Boyes, High Court of South Africa, Case No. 16303/14).
>
> 10.5. Some risks involved in choosing to cultivate self-incompatible mandarin cultivars that have fertile gametic cells (pollen grains and ovules) have already been mentioned. Furthermore, it constitutes a potential pollinator for other self-incompatible cultivars (in orchards outside the farm). On the other hand, if other male-fertile cultivars are planted nearby, there will certainly be a pollen flow resulting in the production of fruits containing seeds, which results in a reduction in value and reduced commercial interest of the fruits (financial loss).'

177. These reasons engage the characteristics of seediness and pollen viability. Both are highly relevant to growers for the reasons explained by Dr Latado. As he put it in [10.2] of his report, those characteristics '*affect the entire mandarin production process, from planning to orchard establishment, management, costs, revenue, risks and fruit marketing'*.

178. Although Dr Latado was invited to and did express his opinion as to whether these are *essential* characteristics, I disregard that part of his evidence because the issue of whether those characteristics are essential is for me to decide.

179. However, these characteristics have differing effects, as consideration of the following three situations makes clear, in view of the facts that Nadorcott has fertile pollen grains and ovules:

i) When self-pollinated, trees of the Nadorcott variety produce fruit which are essentially seedless.

ii) If pollinated by a male-fertile cultivar planted nearby, trees of the Nadorcott variety produce seedy fruit. By contrast, Dr Latado mentioned that it was known in scientific literature that navel oranges produce male-sterile flowers (in reality, empty anthers) and cannot be considered as a source of pollen and cannot induce seeded fruit.

iii) If Nadorcott pollen fertilise female-fertile cultivars planted nearby, there is a risk of producing seeded fruit. In this regard, Dr Latado mentioned this in his [9.3]:

> '…in some countries with stricter legislation, depending on the year, I am aware that Nadorcott growers must be vigilant to ensure that their plants are not considered pollinators, avoiding inducing nearby groves (containing other self-incompatible citrus cultivars) to produce seeded fruit, in order to avoid the risk of prosecution.'

180. Thus, a grower of Nadorcott trees would wish to ensure self-pollination to produce seedless fruit. In my view it would be wrong to conclude that such a grower would not be concerned about the effects of fertile Nadorcott pollen fertilising other cultivars –

the grower might well be growing other cultivars himself and, in any event, the grower might have a responsibility to restrict cross-pollination with other cultivars. Due to the agreement to have no cross-examination of the experts, this issue was not explored further: in particular, whether netting over Nadorcott trees would be effective to prevent the distribution of their pollen, although I strongly suspect it would be.

181. There is one further point to discuss. Section 7(3)(a) requires the retention of 'the expression of the essential characteristics resulting from the genotype ….of the initial variety.' The genotype of Nadorcott is fixed, yet for this particular variety, the expression of the essential characteristics resulting from it depends on the conditions in which the expression takes place i.e. the growing conditions. As a matter of reality, the growing conditions for all commercial Nadorcott trees will ensure self-pollination only and seedless fruit. In my view, this does not permit me to ignore the differing effects I have outlined above. After all, growers of Tang Gold do not need to cover their trees in netting or space them from other cultivars.

182. Mr Lykiardopoulos KC argued that seediness was not an essential characteristic of Nadorcott. However, in view of the evidence I have summarised, he was not able to make this argument with any real conviction.

183. For all these reasons, I conclude that seediness is an essential characteristic of Nadorcott and it is a characteristic which is not retained in Tang Gold. For slightly different reasons (due to the differing effects of Nadorcott pollen), I also conclude that pollen viability is also an essential characteristic of Nadorcott, also not retained in Tang Gold.

184. It follows, therefore, that section 7(3)(a) of the Act is not met.

185. Having stated that conclusion, I add the obvious point that the Nadorcott variety is unusual in that the characteristics which make its fruit attractive to consumers (and therefore farmers) are the product of its genotype **and** the conditions under which the variety is grown to produce seedless fruit – either sufficiently distant from other varieties to avoid cross-pollination or under netting.

186. However, the statutory requirement focusses attention on the expression of the essential characteristics resulting from its genotype, and, for the reasons explained above, the preferred growing conditions are material for Nadorcott and not required for Tang Gold, and these translate into whether particular characteristics are essential.

187. The final point is that it is clear that both differences in seediness and viable pollen result from the act of derivation (the irradiation), so I conclude that, leaving those differences aside as required by section 7(3)(c), Tang Gold conforms to Nadorcott in the expression of the essential characteristics from the genotype of Nadorcott.

188. Overall, however, in the context of the Act, I find that Tang Gold is not essentially derived from Nadorcott and is not a dependent variety of Nadorcott.

189. There are some final observations to be made:

    i) First, this result demonstrates that the concept of a dependent variety represents a narrow extension of the UK plant breeders' right. It is possible that a different

result might obtain in the context of the EU Regulation, due to the different wording of Art.13(6) of the EU Regulation.

ii) Second, this result also illustrates how the two concepts of 'retain' and 'conform' marry up. A dependent variety must retain the expression of the essential characteristics of the initial variety but the act of derivation can result in the addition of further essential characteristics whilst, except for those differences which result from the act of derivation, the dependent variety still conforms to the initial variety in the expression of the essential characteristics of the initial variety.

iii) Third, Asda argued that the concept of dependent variety was narrow, pointing to the underlying policy of preventing plagiarism whilst encouraging development of new plant varieties. This policy is stated at too general a level to assist, so, in my view, one has to apply the words of section 7.

iv) Fourth, Asda argued that the cited costs of developing Tang Gold showed it was a variety which fell on the right side of the line – a new plant variety. Having no comparator, I was not inclined to place weight on the cited costs of development.

ISSUE 2: THE 'REASONABLE OPPORTUNITY' ISSUE

190. My conclusion on Issue 1 suffices to defeat NCP's claim. However, I propose to deal with Issue 2 in case this dispute goes further and also because it was fully argued.

191. I have set out section 6 above. This issue involves the correct interpretation of the final phrase of section 6(3) which provides as follows:

> '(3) The rights conferred on the holder of plant breeders' rights by subsections (1) and (2) above shall also apply as respects harvested material obtained through the unauthorised use of propagating material of the protected variety, unless he has had a reasonable opportunity before the harvested material is obtained to exercise his rights in relation to the unauthorised use of the propagating material.'

192. Although I set out the arguments from each side in greater detail below, it will aid comprehension if I outline the issues generated by the arguments from each side.

i) First, who bears the burden of proof in relation to s.6(3).

ii) Second and foremost, there is the territoriality issue. NCP submitted that section 6(3) relates to UK rights only, whereas Asda developed a series of arguments as to why there can be no such territorial restriction, relying on the preparatory material and other commentary around the provision in UPOV 1991 from which section 6(3) is derived.

iii) More broadly, Asda submitted it was necessary to consider foreign judgments applying the EU Plant Variety Regulation, other national implementations of UPOV 1991, the UPOV Notes and academic commentary before attempting to interpret s.6(3) of the Act.

iv) On the facts, Asda contended that NCP has had a reasonable opportunity to exercise the rights against foreign growers. NCP say the opposite is the case.

193. Save for the issue of what 'rights' are involved, the parties did not explicitly identify other issues of interpretation but on analysis, those broad issues and the way they were argued give rise to a number of issues of interpretation of section 6(3), namely of the following expressions:

i) 'his rights'

ii) 'unauthorised use'

iii) 'exercise'

iv) 'a reasonable opportunity'

v) 'obtained'

194. Before turning to those issues of interpretation, it is convenient to set out the essentially agreed facts, and to deal with the procedural issue over the burden of proof. First, I

refer to the agreed chronology of foreign litigation (which is set out in the Annex to this Judgment).

195. There is no doubt that the proceedings in both Spain and South Africa have progressed very slowly. Both sets of proceedings are still some way from a decision at first instance, let alone complete resolution. As NCP stressed:

i) the proceedings in Spain were commenced in 2008 and NCP has requested expedition or continuation no less than 5 times, to no avail. Even 17 years after commencement, no trial date has been set.

ii) proceedings in South Africa commenced in 2014 and over 11 years later there is no decision on the merits, with the discovery process still on-going.

196. Second, there are some other facts to which I should refer.

i) The current proceedings were issued on 2 January 2025.

ii) Asda pleaded that the majority (over 80%) of the Tang Gold fruits supplied to Asda/IPL were grown in Spain and South Africa. This was set out in paragraph 2 of Asda's Response to NCP's Part 18 Request dated 22 October 2025.

iii) It is agreed that NCP is the registered right holder of a plant variety right for the Nadorcott variety in South Africa, granted on 29 March 2004 (under national legislation) and the proprietor of a Community Plant Variety Right for Nadorcott in the European Union (including Spain) granted on 4 October 2004 (see paragraphs 18 and 19 of the Agreed Facts).

iv) NCP knew about the use of propagating material alleged to infringe its registered plant variety rights in Spain and South Africa from at least:

a) 3 April 2008, with regards to the acts of IVIA and Eurosemillas in Spain;

b) 2 April 2015, with regards to the acts of PA in Spain; and

c) 18 August 2011, alternatively 2014, with regards to the acts of Eurosemillas, CRI and the nurseries in South Africa

v) It was agreed that NCP has relevant legally enforceable rights for Nadorcott in Spain and South Africa that were valid and in force when the propagating material was used in each of those territories.

197. Accordingly Asda contended that NCP were not disputing the fact that it had both a legally enforceable right and the requisite knowledge at the relevant time. I proceed on that basis.

198. In addition (as I mention below), Asda revealed that the countries from which they source Tang Gold mandarin oranges **include** (in addition to South Africa and Spain) Peru, Chile and Egypt, countries where NCP do not hold a plant variety right.

199. More generally, the indications were that around 80 countries are members of the UPOV Convention, meaning that there are more countries who are not members than those who are.

The law

200. Section 6(3) implements Article 14(2) of UPOV 1991, which provides:

> (2) [Acts in respect of the harvested material] Subject to Articles 15 and 16, the acts referred to in items (i) to (vii) of paragraph (1)(a) [these correspond to s.6(1)(a)-(g)] in respect of harvested material, including entire plants and parts of plants [this is provided for in s.6(6)(b), obtained through the unauthorized use of propagating material of the protected variety shall require the authorization of the breeder, unless the breeder has had reasonable opportunity to exercise his right in relation to the said propagating material.

201. The acts referred to correspond to s.6(1)(a)-(g). Furthermore, the definition of 'harvested material' as 'including entire plants and parts of plants' is implemented in s.6(6)(b). Accordingly, as with section 7(3), the UK followed the wording in the UPOV Convention.

202. Neither side drew my attention to any case law where the meaning of the reasonable opportunity defence has been considered.

Burden of proof

203. NCP say that the 'reasonable opportunity' issue is a defence to be raised by a potential infringer, such as Asda. Accordingly, NCP submitted it is for the alleged infringer to prove that the right holder has had a reasonable opportunity within the meaning of s.6(3), rather than for the right holder to prove a negative.

204. NCP pointed out that their position accords with the way the parties approached this in the pleadings. NCP pleaded that it had not authorised the use of Tang Gold (Particulars of Infringement §9 and RFI Response at §4). Asda raised the issue by expressly denying that NCP had not had a reasonable opportunity to exercise its rights (Amended Defence §14(d)). Of course, the double negative inherent in that allegation translates into a positive assertion by Asda that NCP had had a reasonable opportunity. The positive case advanced by Asda is that NCP is aware of Tang Gold trees in at least South Africa and Spain and has filed actions in both countries.

205. It is well-known that courts will only revert to deciding a case on the basis of burden as a last resort. On this issue (as with many others), once the issue has been raised, the evidential burden shifts as one side or the other adduces relevant evidence. In this case, I consider I have enough evidence to decide the issue, which is why I remain unclear why this issue really matters.

206. Nonetheless, in case it does matter, I incline to the view that the burden of proof rests on the party who raises the issue and in this case, that was Asda.

207. As NCP pointed out, information as to the origin of the harvested material is more likely to be within the knowledge of the alleged infringer – since it concerns the operation of its supply chain – rather than the right holder.

208. Asda know where they source Tang Gold and are highly likely to know the identities of the growers in the various countries, and could find out if they did not know. Although NCP found out the identities of suppliers in South Africa and Spain, they do not know the suppliers in Peru, Chile or Egypt. For understandable reasons, Asda were very coy about revealing that sort of information in this action, but it demonstrates a general point that it is the party dealing with harvested material who knows the sources of supply. By contrast, I accept it can be difficult, if not practically impossible, for a holder of a plant variety right to find out where all allegedly infringing activity may be occurring.

209. With that issue resolved, I can turn to the contentions made by each side on the other issues. For reasons which will become apparent when I analyse the issues of interpretation which arise, it is convenient to set out the contentions made by each side, rather than dissect them, and then address the issues to which they give rise.

NCP's case

210. NCP's case had these two main parts:

i) **The Act relates to UK rights.** S.6(3) refers only to UK rights and whether there has been a reasonable opportunity to enforce those rights as against unauthorised use of propagating material. The purpose is to ensure that, where possible, action is taken first against the growers of the propagating material rather than the sellers of harvested material. Where (as here) the harvested material is imported, then the defence does not arise and action can be taken against the importer or other party in the supply chain.

ii) **No reasonable opportunity against foreign growers.** Asda say that NCP has had a reasonable opportunity to exercise the rights against foreign growers (Amended Defence §14(c) & (d)). Whatever the correct interpretation of s.6(3), on the facts of this case, NCP has not had a reasonable opportunity to exercise its rights against Asda's growers in countries where NCP has rights and cannot enforce rights in countries where NCP has no rights.

S. 6(3) of the Act relates to UK rights

211. Asda's pleaded case is that NCP has had a reasonable opportunity to exercise its rights in the Nadorcott variety as against Tang Gold trees in South Africa and Spain before Tang Gold mandarins are harvested for supply to Asda (Amended Defence §14(d)).

212. This argument necessarily assumes that the meaning of "*a reasonable opportunity… to exercise his rights*" in s.6(3) encompasses the exercise of rights in foreign jurisdictions and the need for the Court to investigate the potential for enforcement of foreign rights.

The interpretation of the words used

213. The starting point is the presumption of statutory interpretation that a word used more than once in the same statute has the same meaning throughout (see *For Women Scotland Ltd* referred to above).

214. The expression "*plant breeders' rights*" is introduced in s.1(1) of the Act to refer to the UK national intellectual property right that may be granted under the Act.

215. Section 6(1) is one of the sections in Part 1 of the Act and sets out the acts as respects propagating material which the holder of plant breeders' rights may prevent. The first clause of s.6(3) then refers to "*The rights conferred on the holder of plant breeders' rights by subsections (1) and (2) above*". The word "*rights*" here means the rights to prevent certain acts which are conferred on the holder of the rights granted under the Act. Section 7(1) uses the word "*rights*" in the same sense: "*The holder of plant breeders' rights shall have, in relation to any variety which is dependent on the protected variety, the same rights as he has under section 6 above in relation to the protected variety.*". Plainly, the expression "*his rights*" in the second clause of s.6(3) must be referring to the same rights.

216. Throughout the 1997 Act, the expressions "*plant breeders' rights*" and "*rights*" are used to refer to the UK national right and to the rights conferred by that right. Asda's argument depends on reading the words "*his rights*" in the second clause of s.6(3) in a totally different way to the rest of the Act, such that it suddenly includes foreign rights, without anything in s.6(3) to hint this was what Parliament intended.

217. By contrast, there are other provisions of the 1997 Act, dealing with other issues, where the words chosen by Parliament make clear that the existence of rights in a foreign jurisdiction may be relevant to those issues. For instance, section 38(3)(a) provides that the existence of a variety shall be taken to be a matter of common knowledge if "*it is, or has been, the subject of a plant variety right under any jurisdiction*".

218. Section 10(2) provides that the rule of exhaustion in s.10(1) shall not apply to acts which involve "the export of material which enables propagation of the variety to a non-qualifying country, otherwise than for the purposes of final consumption". Section 10(3) defines the term "non-qualifying country" as "one which does not provide for the protection of varieties of the genus or species to which the variety belongs".

219. This indicates that where Parliament intended for foreign rights to be relevant, it made this clear. NCP spelt this out: Parliament could, for example, have used the same form of words as used in s.38(3)(a), such that the second clause of s.6(3) would have read: "*unless he has had a reasonable opportunity before the harvested material is obtained to exercise* [*a plant variety right under any jurisdiction*] *in relation to the unauthorised use of the propagating material*". It did not do so in s.6(3) of the Act.

220. It is also relevant that Asda's interpretation of s.6(3) leads to a very odd result, whereby the enforcement of a UK national right in respect of harvested material imported into and sold within the UK requires the court to carry out a roving inquiry into the position in foreign jurisdictions where the harvested material was grown. Whether a UK right could then be enforced would depend on what could have been done by way of enforcement in foreign countries.

The Purpose of the Provision

221. NCP submitted that their interpretation accords with the purpose of the provision which was to operate what is sometimes called the "cascade" principle whereby plant variety rights primarily restrict acts in relation to propagating material (i.e. they should usually be enforced against the propagator or grower) and only restrict acts in respect of harvested material (in effect, restricting those who sell, export, import, or stock

harvested material) where they have not had a reasonable opportunity to exercise the rights as against the unauthorised use of the propagating material.

222. Accordingly, action should normally be commenced first against the growers of the crops rather than those who sell the harvested crop. But in a case (such as the present) where the propagating material either does not grow or has not been grown in the UK, a rights owner has not had *any* opportunity to exercise his UK rights as against the propagating material.

223. If the rights owner has not authorised material to be sold or otherwise marketed in the UK, and the propagating material is not grown in the UK, then the rights owner is able to enforce its rights against unauthorised harvested material pursuant to s. 6(3).

Asda's approach is wrong

224. NCP made a number of points in support of their contention that Asda's approach was wrong.

225. First, NCP said that the problem with Asda's approach is that it ties enforcement of a UK national IP right to the vagaries of whether there are foreign rights and a rights owner's ability to enforce those foreign rights in those foreign countries.

226. In effect, it is saying that (at least where there are foreign rights) the question of whether harvested material of a UK protected variety should be imported and sold in the UK is not a matter for the UK Courts but is a matter for foreign courts in the jurisdictions where that product might have been grown. That is the wrong approach to enforcement of a UK property right.

227. Indeed, it leads to very surprising (and wrong) consequences. For any plant varieties which do not grow in the UK or have not been grown in the UK, action would have to be taken in countries where the plant grew, making the UK right either redundant or highly secondary. But if the foreign right is invalidated in that country, then presumably on Asda's case the UK right is re-invigorated. Asda is promulgating the odd situation that if a foreign right subsists, action must be taken in that foreign country against the growers and not in the UK against imported harvested material. But if the foreign right does not exist (or is invalidated), the UK right comes to life. Further, enforcement in the UK may also then depend on whether the rights owner has assigned its foreign rights to another (UK enforcement then permitted) or retained them itself (UK enforcement then prohibited). This is not the correct approach to a UK property right.

228. Alternatively, if Asda's case is that in the absence of protection in a foreign country, the use in that country can never be "unauthorised", then all this means is that if harvested material is grown in a country without protection, it can be imported and sold in the UK (where there is protection) without concern. A UK PBR can simply be avoided by moving the propagating material to a country without protection, and then importing and selling the product in the UK in any event.

229. The "cascade" principle was not intended to import a "global" approach to plant variety enforcement. PBRs remain national rights and the assessment for enforcement is national.

The German approach

230. NCP submitted that their interpretation of s.6(3) is consistent with the approach of the German Federal Court (Bundesgerichtshof/BGH) to the equivalent provision of the German Plant Variety Protection Act (Sortenschutzgesetz).

231. In case X ZR 93/04, the plaintiff was the holder of a German plant variety right for the "Melanie" variety of broom heather. The defendant had distributed in Germany plants of the Melanie variety which had been produced by a third party in France.

232. The BGH held at [12] that the plaintiff had not had an opportunity to assert his plant variety right with regard to the use of propagating material since his right was limited in its effect to Germany:

> "…it is clear from the established facts that the plaintiff had no opportunity to assert his plant variety rights with regard to the use of propagating material of the 'Melanie' variety for the production of the plants distributed by the defendant. Since the production was carried out by the second intervener in France, the plaintiff was unable to assert its plant variety rights to the 'Melanie' variety, which are limited in their effect to the territory of the Federal Republic of Germany, with regard to this use, namely the production of the contested plants."

233. The meaning of "reasonable opportunity" in the equivalent provision of the EU Regulation (article 13(3)) was considered by the BGH in case X ZR 70/22. The defendant in that case had sold harvested material of a protected cereal variety which it had purchased from farmers between 2013 and 2018 (see [3]). Subsequently, in 2019, the plaintiff had inspected the operations of the defendant's suppliers [4] and had obtained compensation from the farmers [13].

234. The BGH held that under article 13(3) of the EU Regulation (and the equivalent provision of UPOV 1991) rights in respect of harvested material are not excluded merely because the right holder has the legal possibility to exercise his right in respect of propagating material [43]. (I interpolate that the judgment uses the term "variety constituents", which is the term the EU Regulation uses for "propagating material"). Rather, the right holder must have had the opportunity in fact to exercise his right in respect of the specific use of propagating material that produced the specific harvested material in question, prior to that use of the propagating material [43], [56-62].

235. On the facts of the case, the right holders did not have knowledge of the unauthorised use of propagating material at the time of the use of that propagating material to produce the harvested material in question [77]. Therefore, at the time of the use of the propagating material, there was no opportunity for the right holders to exercise their rights [78].

UPOV Guidance on Interpretation – in a state of flux

236. NCP sought to downplay the significance of the relevant UPOV Notes, contending that the guidance on interpretation of this provision is not consistent and is not settled.

237. The 2013 UPOV Explanatory Notes in respect of Harvested Material explained at §13 that the term "his right" in Art. 14(2) of UPOV 1991 relates to the breeders' right in the territory concerned and refers back to §4 of the note. This explains that "unauthorised use" refers to acts in respect of the propagating material in the territory where there is a breeder's right in force. Thus, "exercise his right" means to exercise the right in the territory concerned.

238. NCP say that the UPOV guidance is currently under review. In the notes of the meeting in Geneva on 22 October 2025 it was recorded that the "reasonable opportunity" clause had been introduced during the 1991 Diplomatic Conference as a compromise proposal which was intended to be flexible and to be context-sensitive in order to preserve the cascade structure. It records that the primary function was to ensure proportionality and to ensure that "*downstream enforcement over harvested material is permitted only when breeders lacked a realistic chance to exercise rights earlier at the propagation stage"*.

239. The working group cited various cases (including the *Melanie* decision of the BGH) and recommended a review of the Explanatory Notes, such a review to include clarifications or updates to the understanding of the scope of the breeder's right with respect to harvested material. That review is ongoing. Accordingly, NCP submitted it is not safe to rely on these (under review) UPOV Explanatory Notes on this particular issue.

No reasonable opportunity on the facts of this case

On NCP's interpretation of the Act there has been no reasonable opportunity

240. If s.6(3) is interpreted to refer to a reasonable opportunity to exercise the UK right against unauthorised use of propagating material, plainly the defence does not arise. NCP has had no reasonable opportunity to do so, because the unauthorised use of the propagating material did not take place in the UK.

241. There is also no question of anything being authorised. NCP does not authorise any dealings in Tang Gold anywhere in the world. This was confirmed in an RFI response dated 27 March 2025 [Responses 4 & 5] and in correspondence.

In any event, there has been no reasonable opportunity abroad

242. Even if the correct interpretation of the Act is that reasonable opportunity extends to countries where the propagating material was used or grown, NCP has had no reasonable opportunity to exercise its rights in the current case.

Countries where NCP has rights

243. Starting with countries where NCP has rights – the real focus being Spain and South Africa where the majority of the fruit is said to be from.

244. Although NCP has rights over Nadorcott in both the EU and South Africa, it does not know the identity of the growers whom Asda uses to source and import the Tang Gold mandarins sold by Asda in the UK.

245. This is not NCP's fault. At the outset, NCP requested information about the growers (undertakings requested in the Powell Gilbert letter dated 1 September 2023). Asda were not prepared to reveal the identity of their suppliers. All Asda was prepared to disclose in the Amended Defence was that:

    i) Many of its growers also grow Nadorcott trees (Amended Defence §14(c));

    ii) That the Tang Gold mandarins imported and sold by Asda are grown in (amongst other territories) South Africa and Spain (Amended Defence §14(d));

    iii) That Tango mandarins are sourced from "*multiple countries and many different suppliers and agents*". Asda was prepared to say that the mandarins were supplied "*via Southern Fruit Grower (Pty) Ltd ("**SFG**")*" and that SFG was authorised by Eurosemillas to export the variety to the UK, but nothing was said about the actual growers (Amended Defence §21).

246. Since then, in a Part 18 Response of 22 October 2025, Asda confirmed that the countries Tang Gold has been supplied from **include** (my emphasis) Spain, South Africa, Peru, Chile, and Egypt. It is said that over 80% by price were grown in South Africa and Spain.

The South African and Spanish Proceedings

247. For its reasonable opportunity defence, Asda seek to rely on the Spanish and South African infringement proceedings brought by NCP, saying that these proceedings are evidence of a reasonable opportunity to exercise the rights against propagators of the Asda harvested material (see Amended Defence §14(d)).

248. The Spanish proceedings were commenced by NCP in 2008 and the South African proceedings were commenced in 2014. The Agreed Chronology of Foreign Litigation details the procedural history.

249. NCP submitted that this is not an edifying history. In Spain, the infringement proceedings were commenced in April 2008 and NCP has requested expedition or continuation of proceedings five times, but to no avail.

250. In Europe, on 29 April 2016, the CPVO Board of Appeal rejected Eurosemillas' and UCR's case alleging numerous differences between Nadorcott and Tang Gold and held that there were only two differences (18 and 68). Eurosemillas' reaction on 31 May 2016 was to commence nullity proceedings against Nadorcott and request a stay.

251. The nullity proceedings were then unsuccessfully pursued up to the CJEU and the proceedings appear to have been the subject of a *de facto* stay, even though no stay was actually ordered. At the time of the trial before me, 17 years after they were commenced, and following the final rejection of the invalidity challenge by the CJEU in March 2025, no trial date has been set.

252. In South Africa, NCP sought an interim injunction on 11 September 2014 against Eurosemillas and other third parties exploiting Tang Gold (it is not known if any of them are Asda growers or even if Asda used these growers back in 2014). NCP then commenced infringement proceedings on 3 October 2014. Undertakings were given in respect of interim relief, but then the proceedings on the merits became bogged down

with a nullity claim and multiple rounds of discovery requests. Now, 11 years having passed, there has been no decision on the merits and the discovery process is still ongoing.

253. Under its Re-Amended CEA Notice, Asda seek to rely on two court orders from the South African proceedings which relate to NCP's withdrawal of its application for interim relief following undertakings given by the defendants to keep records of all Tang Gold plant and propagating material produced and sold by those defendants (see §§45-48 of the Agreed Chronology of Foreign Litigation).

254. If it is said that NCP has not properly pursued its claim in South Africa and is somehow responsible for the delay in the claim reaching trial, NCP would strongly reject such a suggestion. NCP could not possibly have known or expected back in 2014/2015 that 10 years later the proceedings would still be mired in the discovery phase, entirely overwhelmed by Eurosemillas' documents and evidence petitions.

255. So, Asda's case (having failed to get a stay of these proceedings in favour of *another* nullity challenge) is that NCP must progress its case in South Africa and Spain, where the chances of even a first instance decision prior to expiry (let alone an appeal) seem doubtful, if not impossible. Asda say that NCP cannot in the interim assert its UK right against infringing harvested material imported and sold in the UK. NCP say this is the wrong approach.

The source of Asda's fruit is not known, other than to Asda

256. In any event, there is no evidence to link any of the defendants in South Africa or Spain with Asda's growers. Asda's evidence suggests that at least some of their growers are licensed by Eurosemillas but it is not clear that enforcement against Eurosemillas alone would be sufficient to prevent the unauthorised use of propagating material in Spain or South Africa by those growers. Asda have also pleaded that SFG exports from South Africa, but the link with SFG and the growers is unclear. As discussed below, far from being open about the names of the growers, Asda have been the opposite.

257. Asda's pleaded case is that "*the Claimant is aware of the trees pertaining to the Tang Gold variety in (at least) South Africa and Spain and has had a reasonable opportunity to exercise its rights (if any) in relation to trees before the Tang Gold Mandarin Oranges were harvested for supply to the Defendants*" (Amended Defence §14(d)).

258. This is no more than an allegation that NCP is generally aware of the presence of Tang Gold trees in South Africa and Spain. Asda do not allege that NCP was aware of *specific acts* of use of Tang Gold propagating material *by the specific growers* from which the mandarins sold by Asda were obtained, prior to those acts taking place.

259. Nowhere have Asda pleaded a positive case that NCP knows (or even ought to have known) the identities of the specific growers whose unauthorised use of the propagating material led to the sale of Tang Gold mandarins in the UK by Asda. Yet without such knowledge (or a reasonable opportunity to obtain that knowledge), this defence cannot get off the ground – even on Asda's interpretation of the Act.

260. NCP does not know, and has no practical means of discovering, the identity of the *specific growers* who are responsible for the Tang Gold trees from which the mandarins sold by Asda were obtained.

261. Asda are much better placed to access this information but have elected not to disclose this information in these proceedings, whilst at the same time running a defence that NCP has had a reasonable opportunity to sue these unknown growers. In particular:

    i) At the outset, NCP asked for information about the growers, but this was refused by Asda (see the Powell Gilbert letter and undertakings referred to above).

    ii) Mr Cockshaw, the Procurement Director of the Second Defendant ("**IPL**"), refers to and exhibits an agreement IPL has entered into with a mandarin grower in South Africa (see Cockshaw §§19-22 and Exhibit AC1) but the name of the grower has been redacted.

    iii) Ms Berks, inhouse solicitor at IPL, refers to at §13 and exhibits the first page of a licence agreement between Eurosemillas and a fruit grower (Berks §13 and Exhibit GEB1), but again the name of the grower has been redacted.

    iv) Ms Berks also explains that she checked with one of the suppliers (name unknown) about the position, who simply referred her to Eurosemillas, but at no time does she say that this supplier explained they had already been sued, or were known to NCP or that (crucially) NCP knew that this supplier (or any supplier) supplied Asda (Berks §18).

    v) The identity of growers is kept under wraps by Eurosemillas in any event. The Production License Agreement between Eurosemillas and South African growers includes at §9.1.7 a provision that Tang Gold shall preferably be grafted in the middle of the field "*in order to be as invisible as possible for occasional visitors"*. Further §9.1.8 provides that signalling of the varieties should be done by code known to the field managers and Eurosemillas only, and not by variety name.

262. NCP say it is extraordinary for defendants who assert that the claimant has had a reasonable opportunity to exercise its rights against the defendants' growers (which must carry with it an allegation that the claimant knows who they are) to then to go to such lengths to conceal the identities of those growers.

263. The growers who use the unauthorised material to produce fruit for Asda are not known to NCP and Asda will not tell NCP who they are (and scrupulously redacts their names from any documents). Still further, the exclusive licensee of Tang Gold from whom the growers obtain their grafts of Tang Gold ensures anonymity by including provisions for growing the trees away from prying eyes and under code names.

264. Taking a step back, this is an extreme case which illustrates how NCP has *not* had any reasonable opportunity to exercise its rights in relation to the unauthorised use of the propagating material *even abroad.*

265. There is nothing reasonable in infringement proceedings being commenced 17 years ago and 11 years ago respectively and still not having reached even a first instance

decision. There is nothing reasonable in having to sleuth out potential relevant growers in the face of an exclusive licensee and importer who do everything they can to keep those growers hidden from sight.

266. *If* Parliament intended the Courts to consider the position on reasonable enforcement against those who use propagation material under foreign rights (as Asda says) then the Court must also consider whether it can fairly say that NCP has had a reasonable opportunity to exercise its rights. Waiting a decade or almost two decades for a trial is not something that any Court can say is reasonable.

267. Moreover, it is not reasonable if the rights owner does not know the identity of the growers and the defendant in those foreign proceedings goes out of its way to hide that identity. Again, in such circumstances, s.6(3) does not apply.

Countries where there is no protection

268. Finally, it is now clear that a proportion of the fruit sold by Asda comes from countries where NCP does not even have any corresponding rights.

269. Asda has confirmed that it sources mandarins from (inter alia) Peru, Chile and Egypt. NCP does not have plant variety rights for Nadorcott in any of these countries. Further, NCP has no way of knowing the identity of the Asda growers in these countries.

270. NCP contends that the fact that NCP has no rights to Nadorcott in those countries does not give Asda *carte blanche* to import harvested material from those varieties into the UK where NCP *does* have rights.

271. Accordingly, NCP say that unauthorised use of propagating material in those countries may not be an infringement in those countries, but importing the fruit to the UK is an infringement here in the UK.

Asda's case

272. In support of their overall contention that NCP has had a reasonable opportunity such that NCP has lost any right of action under section 6(3), Asda made a number of arguments, as follows.

Policy considerations

273. In light of the paucity of information available, Asda contended it is important to consider foreign judgments applying the EU Plant Variety Regulation or national implementations of the 1991 Act of UPOV, as well as statutory instruments, meeting minutes and, where applicable, academic commentary, before attempting to interpret s.6(3) and the reasonable opportunity limitation.

274. Asda say the correct starting point is the discussion captured in the Records of the Diplomatic Conference. The relevant debate can be found at paragraphs 915-934. In summary, the majority of the delegates were in favour of introducing a counterweight to the new extension (introduced by the 1991 UPOV Convention) of the plant variety right to the use of harvested material (e.g. by farmers or retailers), which ensures that (where possible) the right holder enforces their right at the earliest opportunity (e.g. against the nurseries). This was considered to be a necessary safeguard on the

relationship between right holders and farmers in addition to the principle of exhaustion which is limited to harvested material disposed of by the right holder or with their consent (Art 16 of the UPOV Convention; Art 16 of the EU Plant Variety Regulation; section 10 of the PVA 1997). Below Asda highlighted some of the most relevant paragraphs (emphasis added):

> "Mr. HAYAKAWA (Japan) observed that his Delegation was in favor of strengthening the breeder's right but felt that, if a mandatory provision were to be accepted to the effect that the breeder would be able to exercise his right in relation to harvested material and other products, it would not lead to the establishment of a smooth relationship between the breeders and the users of varieties. **The breeder should exercise his right at the earliest possible stage. If the breeder could freely choose the stage at which he exercised his right, there would be a very uncertain situation for the trade.** Therefore, the Delegation of Japan proposed to introduce a so-called "cascade principle". It was only on that condition that Japan would be able to accept a broadening of the scope of the breeder's right." – para 916
>
> "Mr Öster (Sweden)'s position was that "the breeder should not have the possibility to choose the stage at which he would collect his royalties"" – para 922.
>
> "Mr Bradnock (Canada) stated that "The focus of the plant breeders' right should be on propagating material, and only exceptionally should the right be exercised on harvested material"". – para 924
>
> "Mr Slocock (AIPH - The International Association of Horticultural Producers) stated that "it might appear surprising that, as a representative of a producers' organization, he should welcome the fact that Article 14(1)(b) should become obligatory; but this was realistic and marked a sensible progress in the development of plant variety protection legislation. However, in the market and in the horticultural world, it was an incorrect approach to suggest that the collection of the royalty or the exercise of the breeder's right should take place anywhere but at the propagation stage. **A choice for the breeder as to where he would exercise his right would be inappropriate in practice and doubtful in law.**"" – para 928
>
> "Mr Hron (Austria) "informed the Conference that debates in Austria were strongly oriented towards reinforcement of breeders' rights, but they should be ascertainable as early as possible - that was to say, where possible, at the stage of propagating material. The rights should only be ascertainable at a later phase, that is to say for harvested material, in exceptional cases"." – para 930

275. This debate led to the introduction of the 'cascade system', which has remained the same since it was first introduced.

276. The same policy considerations were reiterated recently in academic commentary. For instance, in his article entitled *Plant variety rights: referrals to the CJEU stir up questions with far-reaching consequence*s (2019) Journal of Intellectual Property Law & Practice Vol. 14, No. 3, Adrián Crespo Velasco states that "*The aim of the 'cascade system' is to guarantee legal certainty for farmers and ensure that,* ***when reasonable, the breeder enforces his rights at the earliest possible stage of the value production chain, ie at the upstream propagation stage***" (emphasis added).

277. The first requirement for the application of the reasonable opportunity limitation is therefore the existence of a legally enforceable right.

278. The second requirement is knowledge of the infringing use of propagating material. The authors of *European Union Plant Variety Protection* state that:

> 6.17 In the authors' opinion, it could be argued that if plant material of a protected variety has been propagated illicitly, and the holder of the Community plant variety right is only informed about the subsequent marketing of harvested material derived therefrom, he would not have had reasonable opportunity to exercise his right in relation to the variety constituents at an earlier stage.

279. Whilst not directly binding on the court, Asda drew attention to the fact that the Spanish legislator has adopted the same position on reasonable opportunity in the Spanish legislation. Article 7(3) of the Spanish Regulation implementing the provisions of Law 3/2000 of 7 January as subsequently amended, approved by Royal Decree No 1261/2005, provides the following helpful explanation:

> It shall be understood that the breeder has been unable to reasonably exercise their right when they were unaware of the actions carried out with the propagation or multiplication material of their variety with respect to Article 12.2 of Law 3/2000 of January 7. Once the actions referred to in the preceding paragraph are known, in order to avail themselves of the extension of the right reflected in Articles 13.1 and 13.2 of Law 3/2000 of January 7, they must have previously carried out the necessary actions to exercise said right in the multiplication or reproduction phase in which these actions were carried out on their material. Only of these actions are proven impossible may they attempt to exercise these rights over the harvested product. (machine translation)

280. As for jurisprudence, to the best of Asda's knowledge, the only case where the justification for the introduction of the reasonable opportunity limitation with respect to harvested material was considered is Case C-176/18 Club de Variedades Vegetales Protegidas v Adolfo Juan Martinez Sanchis (the case brought to enforce the Nadorcott PBR against nurseries in Spain). There, the Court of Justice held (at [32]) that:

> As regards the objectives of Regulation No 2100/ 94, it is apparent, inter alia, from the 5th, 14th and 20th recitals of that regulation that even though the scheme introduced by the European Union is intended to grant protection to breeders who develop new varieties in order to encourage, in the public interest, the breeding and development of new varieties, such protection must not go beyond what is necessary to encourage such activity, otherwise the protection of public interests such as safeguarding agricultural production and the need to supply the market with material offering specified features, or the main aim of maintaining the incentive for continued breeding of improved varieties may be jeopardised. In particular, according to a combined reading of the 17th and 18th recitals of that regulation, agricultural production constitutes a public interest that justifies restricting the exercise of Community plant variety rights. In order to achieve that objective, Article 13(3) of Regulation No 2100/ 94 provides that the protection conferred by Article 13(2) on the holder of a Community plant variety right apply to 'harvested material' only under certain conditions.

281. The policy justification behind the introduction of the reasonable opportunity limitation was set out in more detail by Advocate-General Saugmandsgaard Øe in his Opinion dated 18 September 2019 in CVVP v Sanchis (at [40], [49] and [56]) (Asda's emphasis added):

> 40. So far as concerns the interpretation of Article 13(3) of Regulation No 2100/94, none of the interested parties which submitted observations to the Court dispute, in the first place, that the concept of 'use' set out therein refers to the performance of any of the acts set out in Article 13(2). (23) That conclusion is easily understood in the light of the objective and general logic of the cumulative protection scheme established by those provisions. **The purpose of that scheme is to enable the breeder to assert his rights over the fruit produced from the protected variety constituents where the latter has not been able to bring proceedings against the person who has effected an act set out in Article 13(2) in respect of the variety constituents themselves.**
>
> 49. I would point out, in that regard, that the rights which Article 13(3) of Regulation No 2100/94 confers on the holder in respect of harvested material are **secondary, in that they may be invoked only in situations where the breeder cannot exercise his rights under Article 13(2) against the person (in the present case, the nursery) who has effected one or more of the acts referred to in that provision** (in the present case, multiplication and marketing) in respect of the protected variety constituents. (27).
>
> 56. That reading is not invalidated by the fact, pointed out by CVVP, that the economic value of fruit-growing varieties such

> as those at issue in the main proceedings lies mainly in their capacity to produce fruit. **That fact cannot call into question the architecture of the plant variety protection system consisting, primarily, of a primary right in respect of variety constituents and, secondarily, in so far as the breeder has not been able to assert his primary right, a secondary right in respect of harvested material.** In the context of that cumulative protection scheme, the economic value associated with the ability to harvest the fruit from variety constituents over the years may be reflected in the amount of remuneration ('royalties') set by the breeder in respect of the acts, referred to in Article 13(2) of Regulation No 2100/94, effected in respect of those constituents themselves.

282. Finally, when deciding how to interpret the reasonable opportunity limitation, Asda respectfully invited the Court to have regard to the need to strike the right balance between the rights of the interested parties, and to avoid drawing unprincipled distinctions. In the words of Mr Velasco (at p.8):

> It is desirable for the CJEU to strike the right balance: preserving the 'cascade solution' of secondary enforcement under Article 13(3) CPVR, while ensuring that, if the conditions are met, breeders enjoy a scope of rights that allows effective enforcement. […] The 'cascade system', which limits the rights of breeders, is one of the key features distinguishing the plant variety system from patent law. Therefore, any failure to strike that balance will reduce the attractiveness of plant breeders' rights vis-à-vis other forms of protection.

Statutory interpretation of section 6(3) of the PVA 1997 and reasonable opportunity

283. Asda submitted that the UK Courts should adopt an interpretation of section 6(3) of the PVA 1997 which is consistent with the policy justifications underlying the introduction of this provision. As such, they suggested that the correct interpretation of section 6(3) is that the right holder must have had both (i) a legally enforceable right for the variety in issue in the territory in which, and at the time when, the propagating material was used; and (ii) knowledge of the use of the propagating material which is said to infringe the right in the protected variety. It is only where the right holder does not have the requisite information regarding the unauthorized use of propagating material that they can, and often will, for example by application of the legal presumption established by s.14(3) PVA 1997, pursue a claim against the users of harvested material.

284. This interpretation conforms with the justifications articulated above, in that it strikes a fair balance between the scope of the protection enjoyed by the right holder, on the one hand, and legal certainty and fairness for the farmers, retailers and other users of harvested material, on the other. As it was consistently recognised by the majority of participants in the UPOV Diplomatic Conference, by academics and by the CJEU and the Attorney-General, the cascade system ensures that the extension of the plant variety right to harvested material is an exceptional secondary right that is afforded *only* where the right holder was unable to exercise his rights in relation to the unauthorised use of propagating material beforehand.

285. As long as the right holder had both the right and the knowledge necessary to prevent the sale of the harvested material by the users of propagating material themselves, it would be "*inappropriate in practice and doubtful in law*" for the right holder to nevertheless be permitted to sit back and, in effect, acquiesce (in the practical, not the legal sense) in the harvesting and sale of the harvested material, only for them to then exercise their right further down the economic chain as against the farmers or retailers of harvested material. Endorsing such an interpretation would create an unfair advantage for the right holder.

286. Moreover, the lack of certainty caused by adopting a different interpretation would pose a significant burden on retailers, such as Asda. They have in good faith been sourcing harvested material in the belief that the absence of any legal challenge to the use of propagating material, where such challenge could have been brought by the right holder both on the law and on the facts, indicates that they are free in law to sell the harvested material.

287. Asda initially contended that it was not clear on what basis, if any, the proposed interpretation of section 6(3) was resisted by NCP, pending receipt of NCP's Skeleton Argument, because NCP did not respond to paragraph 14(d) of the Amended Defence in their Reply. However, Asda correctly anticipated that NCP would argue for an alternative interpretation of section 6(3) which requires that the right holder in fact was able to enforce its right by obtaining relief against the users of propagating material before the reasonable opportunity limitation can apply. Asda referred to this as the **alternative interpretation**. Asda also acknowledged the additional construction argument relating to the territoriality of s.6(3), addressed by them in a later section.

288. The alternative interpretation involves, according to Asda, a very limited interpretation of the phrase "*exercise his rights*" in section 6(3) which they contend does not have any support in any of the existing preparatory materials, jurisprudence or academic commentary which seeks to construe this rule.

289. Further, the alternative interpretation would have the highly unsatisfactory result of allowing for a claim for infringement against the users of harvested material to be brought in parallel with a claim against the users of propagating material. As explained below, in the present case, NCP, by itself or through its licensee, Citrogold, has in fact acted upon its knowledge and exercised its rights in issuing proceedings against the users of the propagating material in Spain and South Africa prior to issuing the present claim. Pursuing such parallel litigation can lead to practical problems further explored in the following paragraphs.

290. A right holder issuing proceedings against the users of propagating material usually seeks financial and/or injunctive relief, including a potential interim injunction, at the earliest possible stage in the economic chain. Once the usual litigation complications are overcome, the proceedings will eventually reach final determination. Then:

    i) If that determination favours the right holder, it will ordinarily be entitled to financial compensation and final injunctive relief preventing the nurseries from selling propagating material in the future. The parties are put back in the same position they would have been in had there been no infringement. The sooner the right holder issues its case against the nurseries, the more efficient it will be

in preventing the further commercialisation of harvested material obtained from the unauthorised use of propagating material.

ii) If, on the other hand, the nurseries are held not to have infringed, the resulting harvested material is similarly held not to have been obtained through the unauthorised use of propagating material of the protected variety. The right holder does not have a claim against either the nurseries or the farmers/retailers.

291. Asda say that the scenario outlined above shows that, whatever is decided in the final determination of the right holder's infringement claim against the acts in respect of propagating material, that determination effectively brings the dispute around the legality of the use of propagating material to an end (and, with it, any claim against the subsequent use of harvested material obtained from those acts). If the right holder is successful, it receives compensation for its loss. If they are unsuccessful, that means that the use of propagating material does not infringe, and consequently no liability rests with the retailers of harvested material obtained from the unauthorised use of that propagating material.

292. However, if the right holder issues proceedings against both the nurseries and the users of the harvested material, even if it succeeds as against the farmer/retailer before the proceedings against the nurseries are finalised, the right holder will, at most, obtain some financial relief and an injunction against that particular farmer/retailer. However it will still have to pursue the litigation against the nurseries to prevent further infringing material entering the supply chain. So the proceedings against the farmer/retailer are, at best, entirely duplicative and, at worse, can result in inconsistent decisions.

293. So Asda invite the conclusion that this duplicity of litigation is clearly not the approach intended by the 'cascade system', which instead compels the right holder to take the (and only the) most effective route and issue proceedings against the nurseries directly, from whom they will be able to obtain both an appropriate financial relief for past infringements and an effective injunction preventing further unauthorized sale of harvested material, i.e. a *de facto* resolution of the dispute.

294. Asda say that the difficulties identified above reveal a fundamental flaw in NCP's approach. On a proper reading of section 6 the Act, the two steps of the 'cascade system' are, in fact, alternatives: section 6(3) only applies to allow the right holder to enforce its right against the users of the harvested material where it has not also been possible, due to the absence of an enforceable legal right, lack of knowledge or even, on NCP's construction, lack of a final court determination, to prevent the users of the propagating material from engaging in restricting acts. On any interpretation, the cascade system created by section 6 (and the equivalent articles of UPOV and the Regulation) simply does not allow for parallel infringement proceedings to be brought against <u>both</u> the users of propagating material and the users of harvested material obtained through the unauthorised use of the same propagating material.

295. If parallel litigation of this kind is not accommodated by the 'cascade system', it follows that the alternative interpretation cannot be correct. All that is required for the reasonable opportunity limitation to be engaged is that the right holder has the requisite right against and knowledge of the use of propagating material: once these requirements are satisfied, any action which seeks to enforce a plant variety right against a particular variety needs to be directed at those engaged in acts in respect of propagating material.

If such action is pursued, the resulting litigation will conclude the matter. If it is not pursued, then the right holder should not be able to seek enforcement against the users of harvested material instead.

296. Further to the above, in circumstances where harvested material is obtained from use of propagating material in jurisdictions where the claimant has no legally enforceable plant variety right, Asda's position is that the extension of the breeder's right conferred by s.6(3) is not engaged at all. The use of propagating material in this scenario is simply not "*unauthorised use*" within the meaning of s.6(3) because the breeder was never able in law to authorise that use.

297. Asda acknowledged that paragraph 6.16 of *European Union Plant Variety Protection* and the Preamble to the Regulation could be read as supporting a construction whereby a user of harvested material obtained from jurisdictions where there is no protection can be liable under s.6(3). The relevant paragraph from the Preamble reads:

> 'Whereas, since the effect of a Community plant variety right should be uniform throughout the Community, commercial transactions subject to the holder's agreement must be precisely delimited; whereas the scope of protection should be extended, compared with most national systems, to certain material of the variety to take account of trade via countries outside the Community without protection; whereas, however, the introduction of the principle of exhaustion of rights must ensure that the protection is not excessive.'

298. Asda also acknowledged the existence of the debate prior to the introduction of the 1991 Act and prior to the publication of the UPOV Explanatory Notes on Harvested Material. However, they pointed out that none of these two documents provides an unequivocal explanation of what the legal position should be for harvested material obtained from jurisdictions without protection.

299. Asda say their interpretation is consistent with the decision of the CJEU in *CVVP v Sanchis*, where it was held that Art.13(3) Regulation must be interpreted as meaning that the fruit of a plant variety may not be regarded as having been obtained through unauthorised use of variety constituents where those variety constituents (i.e. propagating material) were propagated and sold to a farmer by a nursery in the period between the publication of the application for a Community plant variety right and the grant thereof (see [51]).

300. Asda therefore say that they can argue that use of harvested material obtained from propagating material grown in non-protected jurisdictions should not be held to be infringing. It would be unprincipled, contrary to policy and unfair for farmers and retailers if a contrary interpretation were to be adopted, whereby the right holder would effectively be granted an extension of their rights to cover use of fruit obtained from non-infringing activities. Prior to 1991 the provisions of UPOV provided no redress at all against farmers using harvesting material in territories where the right owner held a valid right it could enforce against the nursery. The introduction of Art 14(2) was intended to enable the right owner to take action against the farmers if, but only if, it had been unable to enforce its right against the nursery. It was not intended to extend

the scope of the right to subsequent sales of harvested material where no right exists against the nursery and the farmer at all.

301. On Asda's interpretation of section 6(3), the result would be as follows:

i) the reasonable opportunity limitation prevents NCP from succeeding in his claim for infringement against the use of Tang Gold obtained from Spain and South Africa; and

ii) the use of Tang Gold obtained from jurisdictions where NCP has no legally enforceable right falls entirely outside the scope of section 6(3). This includes Tang Gold sourced from Peru, Chile and Egypt.

302. Asda correctly anticipated that NCP would argue that, notwithstanding the fact that they had a legal right and knowledge of the relevant acts, they nonetheless did not have reasonable opportunity to exercise their rights within the meaning of section 6(3) in the specific circumstances of the litigation proceeding in Spain and South Africa e.g. because of the various intervening adjournments, applications or appeals.

303. Asda's position is that what happens in the foreign litigation is, with respect, a matter for the foreign courts. If NCP believes that the delay in the Spanish and South African proceedings is somehow unjustified or impedes NCP's ability to properly exercise their rights under the plant variety regime, then this is a complaint that needs to be addressed to and resolved by the foreign courts.

304. Once NCP commences proceedings against the users of the propagating material (which Asda contended is the right approach), it would be contrary to the functioning of the 'cascade system', impractical when it comes to assessing damages and highly unfair for the users of harvested material if NCP were then allowed to issue parallel proceedings at various levels in the chain of distribution in the hope that one of them will be quicker in reaching a final determination.

305. The proposition that this behaviour could be permissible under the scheme of the Act is even more peculiar in circumstances where NCP has not suggested at any stage that the litigation in Spain and South Africa is in any way vitiated, or that they are unlikely to obtain substantial justice in those proceedings.

306. Further, Asda drew attention to the fact that NCP withdrew its application for interim relief in the South African proceedings following undertakings given by the defendants in that case. Those undertakings comprise, in summary, undertakings to maintain records of Tang Gold plant and propagating material received and delivered, as well as records of all remuneration received in respect of the commercialisation of Tang Gold. Asda say that NCP therefore expressly agreed to allow the dissemination of Tang Gold propagating material and the commercialisation of Tang Gold, including the resulting distribution of the harvested material that is ultimately sold by Asda, pending final resolution of the proceedings in South Africa. Insofar as NCP seek to argue that the foreign proceedings have not given them an opportunity to prevent further infringements, Asda say this is contradicted by their own acts.

307. In light of the above, on Asda's construction of section 6(3), they submit that:

i) First, the reasonable opportunity limitation applies squarely to the facts of the present case in relation to Tang Gold Mandarins obtained from Spain and South Africa, meaning that Asda is not liable for infringement of the PBR as a result of such use; and

ii) Second, use of mandarins obtained from Peru, Chile and Egypt also falls outside the scope of the secondary infringement provision in s.6(3) by virtue of being use in relation to harvested material obtained from a jurisdiction where no plant variety protection exists for Nadorcott.

Territoriality

308. Asda accepted that there is no express territoriality limitation to the application of section 6(3) in the PVA (or the equivalent articles in the UPOV and the Regulation). Nevertheless, Asda correctly anticipated that NCP would argue that the reasonable opportunity limitation does not apply to the facts of this case because it only applies where the unauthorised use of the propagating material takes place in the same jurisdiction (i.e. the UK) as the restricted use of the harvested material. Asda referred to this argument as the "**territoriality**" argument.

309. Asda's case is that the territoriality argument cannot be the correct interpretation of section 6(3) (and Art 14(2) of the UPOV Convention).

310. First, this interpretation is not clearly supported by any of the preparatory material or commentary around the equivalent of s.6(3) and the reasonable opportunity limitation.

311. The only suggested interpretation of the reasonable opportunity limitation stems from paragraph 13 of the UPOV Explanatory Note on Harvested Material 2013:

> The term "his right", in Article 14(2) of the 1991 Act, relates to the breeder's right in the territory concerned (see paragraph 4 above): a breeder can only exercise his right in that territory. Thus, "exercise his right" in relation to the propagating material means to exercise his right in relation to the propagating material in the territory concerned.

312. Paragraph 4 of the UPOV Explanatory Note on Harvested Material reads as follows:

> "Unauthorized use" refers to the acts in respect of the propagating material that require the authorization of the holder of the breeder's right in the territory concerned (Article 14(1) of the 1991 Act), but where such authorization was not obtained. Thus, unauthorized acts can only occur in the territory of the member of the Union where a breeder's right has been granted and is in force.

313. On a first read, the 2013 UPOV Explanatory Note seems to suggest that Article 14(2) only applies where the unauthorised use of the propagating material and the use of the resulting harvested material take place in the same jurisdiction. However, on a careful analysis of the language of the Explanatory Note, it becomes clear that it cannot have

been the intention of UPOV to introduce a substantial limitation to the statutory scheme in such equivocal terms through a non-binding Explanatory Note.

314. Instead, Asda suggest that the true meaning of the Explanatory Note is to say that the right holder can only be said to have had reasonable opportunity in jurisdictions where they have a legally enforceable right, i.e. where the users of propagating material required authorisation, and that there can be no question of reasonable opportunity in another Member state where no national or Community right exists, or in a non-EU state where no national right exists, because the acts were not capable of being authorised in those territories in the first place. This interpretation further supports Asda's argument that use of Tang Gold grown in Peru, Chile and Egypt cannot be infringing.

315. Asda say that this reading of the 2013 UPOV Explanatory Note is consistent with the commentary of Advocate-General Øe in his Opinion in CVVP v Sanchis (at [49], [50] and 54):

> 49. I would point out, in that regard, that the rights which Article 13(3) of Regulation No 2100/94 confers on the holder in respect of harvested material are secondary, in that they may be invoked only in situations where the breeder cannot exercise his rights under Article 13(2) against the person (in the present case, the nursery) who has effected one or more of the acts referred to in that provision (in the present case, multiplication and marketing) in respect of the protected variety constituents.
>
> 50. On this view, the concept of 'unauthorised use' seems to me to have meaning only to the extent that one of the acts listed in Article 13(2) of Regulation No 2100/94 has been effected in respect of the variety constituents without the consent of the breeder **even though his authorisation was required** It is only when the requirement to obtain the consent of the breeder has not been met that the latter may assert his rights over the harvested material. (emphasis added)
>
> 54. **The interpretation that I advocate is, moreover, supported by certain explanatory documents adopted by the UPOV Council**. According to those documents, the concept of 'unauthorised use', within the meaning of Article 14(2) of the UPOV Convention, refers to 'acts in respect of propagating material which require the authorisation of the breeder … but which have been effected where such authorisation was not obtained'. The UPOV Council states that the performance of unauthorised acts implies that the breeder's right 'has been granted and is in force'. (emphasis added)

316. Notwithstanding the above, if, contrary to Asda's primary case, the 2013 UPOV Explanatory Notes are considered to be supporting a territorial limitation, Asda say the

Explanatory Notes are not binding on this Court[1] and should, with respect, be disregarded for the reason explained below.

317. Second, the territoriality limitation is fundamentally flawed because it draws a random, entirely unprincipled and unfair distinction between, for example, fruits and vegetables which are capable of being grown in the UK (e.g. potatoes), and those which are not (e.g. mandarins).

318. Asda is not aware of any indication, whether in the preparatory material for the 1991 Act of the UPOV Convention, the recitals to Regulation No 2100/94 implementing the 1991 Act of the UPOV Convention into EU law, or in any other sources, that the countries signatories to the UPOV Convention intended to draw such a distinction, or intended that the limitation to the second tier infringement set out in Art.14(2) UPOV / s.6(3) PVA applies differently to domestic and exotic varieties.

319. On the contrary, Asda say that the better view is that the 1991 UPOV Convention framework must be applied equally to different varieties of plants except where the statute expressly allows for a distinction to be made in clear and unequivocal terms. The principle against unjustified discrimination is supported by academic commentary. Mr Velasco warned against unjustified discrimination in his article (*supra*), albeit in the context of whether, in deciding if the reasonable opportunity limitation applies at all, a distinction should be drawn depending on whether the harvested material in issue is itself capable of generating new plants (and so can amount to propagating material). The author stated as follows:

> Possibly the greatest shortcoming in this reasoning is that it leads to discrimination between different types of harvested material, depending on the botanical circumstance of whether the harvested material is itself a variety constituent within the meaning of Article 5(3) CPVR, ie propagating material capable of generating new plants.

320. In Mr Velasco's view, allowing for this arbitrary distinction to be made would leave the second tier infringement for harvested material in Article 14(2) (which introduces the additional requirements of unauthorised access and reasonable opportunity) "*devoid of its original purpose*", as it would only be relevant in practice "*in situations where the harvested material has been harvested from protected plants outside of EU territory and then imported into the EU*".

321. Asda submitted that two points become apparent in light of Mr Velasco's analysis. First, that interpretations of the second-tier infringement provisions which lead to arbitrary distinctions between varieties are to be deprecated. Second, that situations where harvested material is imported from protected plants grown outside the EU (i.e. dual jurisdictional scenarios) are plainly covered by the applicability of the second-tier

[1] In the Preamble of the UPOV Explanatory Note it is provided that "*The only binding obligations on members of the Union are those contained in the text of the UPOV Convention itself, and these Explanatory Notes must not be interpreted in a way that is inconsistent with the relevant Act for the member of the Union concerned.*"

infringement and the reasonable opportunity limitation (Asda say, where there are legally enforceable rights in both jurisdictions).

322. Asda further submitted that, following Velasco's reasoning, just as it would be unjust and contrary to the intention of the legislator to adopt an interpretation of the second tier which reduces its applicability to situations with a non-EU angle, it would be equally inappropriate to adopt an interpretation which reduces the applicability of the second tier requirements to situations where the restricted acts done in relation to the propagating material and the harvested material are done in the same jurisdiction.

323. Further still, as explained in [289]-[293] above, Asda say that the operation of section 6 of the PVA 1997 ensures that the right holder can never pursue parallel infringement proceedings against both the users of propagating material (nursery) and those of harvested material (farmer/retailer). This is perhaps the most apparent in circumstances where, as NCP contends, the farmer/retailer and the nurseries are based in the same jurisdiction (here, the UK). In this case, the right holder would have a legally enforceable right against both and would have the requisite knowledge in relation to both defendants' acts.

324. Asda's final point was that NCP's territoriality requirement would limit the application of the reasonable opportunity argument to a very narrow set of circumstances in which the nurseries, farmers (and retailers) are all based in the UK and the right holder has a legal right against all, but it is nonetheless unable to bring proceedings against the nurseries directly because either (i) the nurseries acts took place before the right was granted, as was the case in the CJEU decision in *CVVP v Sanchis*, or (ii) an action against these rights is barred by a limitation act, or (iii) the right holder lacks the knowledge required to bring proceedings against the nurseries directly because their identity is concealed and the farmer/retailer refuses to disclose it (in which case the presumption in s.14(b) applies). This cannot possibly be the correct interpretation of s.6(3) and the reasonable opportunity limitation.

Analysis - the legal issues

325. Once again, despite the elaboration in the arguments, the legal issues of interpretation can be determined relatively succinctly.

'his rights'

326. Applying the presumption from *For Women Scotland Ltd,* in the context of section 6(3) and the Act more generally, in my judgment the words 'his rights' can only refer to the rights conferred by the Act, consistently with all the other mentions of 'rights' in the Act. It is impossible, in my view, suddenly to interpret 'rights' in section 6(3) as embracing all corresponding rights anywhere else in the world. Specific and particular wording would be required to lead to that conclusion.

327. Working backwards from 'his rights':

    i) Section 6(3) starts with a reference to the rights conferred by s.6(1) and (2) on the holder of plant breeders' rights. That holder is the 'he' and the rights in question are 'his'.

ii) Similarly, sections 6(1) and (2) both refer to the holder of plant breeders' rights. Those are plainly the rights referred to in section 1(1) as the rights granted in accordance with Part 1 of the Act.

iii) As NCP submitted, throughout the Act, the expressions 'plant breeders' rights' and 'rights' are used to refer to the UK national right and what that right encompasses.

328. If any further confirmation was required, I agree with the two points made by NCP at [217] and [218] above, as examples where the words chosen by Parliament make clear that the existence of rights in a foreign jurisdiction may be relevant. In that regard, it is relevant to note the UK Act uses a different expression ('plant breeders' right') to that used in the UPOV Convention ('plant variety right') and, I suspect, most implementations of that Convention.

329. In the light of those examples, I also agree that, if Asda's argument were to have any force, it would have been far more likely for section 6(3) to have been worded as follows: "*unless he has had a reasonable opportunity before the harvested material is obtained to exercise* [*a plant variety right under any jurisdiction*] *in relation to the unauthorised use of the propagating material*".

330. I also agree that Asda's interpretation would lead to a very odd result, as NCP specified in [220] above.

331. Finally, this interpretation is strongly supported by paragraph 13 of the UPOV Explanatory Note on Harvested Material 2013, and that passage where it says:

> 'The term "his right", in Article 14(2) of the 1991 Act, relates to the breeder's right in the territory concerned (see paragraph 4 above): a breeder can only exercise his right in that territory.'

332. In reaching these conclusions, I also derive some comfort from the position in Germany, based on the BGH interpretation of the *Sortenschutzgesetz*.

'unauthorised use'

333. The interpretation of these words is closely related to that concerning 'his rights' as NCP's submissions indicate (see [228] above).

334. Asda's argument was clear: use can only be unauthorised in a particular territory if a plant variety right exists in that territory and the use of it has not been authorised by the holder of that right. The argument is made explicitly in [296] above, but can also be seen to be implicit in their other arguments.

335. As far as I could detect, NCP rather ducked this issue, addressing it indirectly in their contention that the UPOV Notes on this issue could not be relied upon since they are said to be in a state of flux. The difficulty for NCP is that the 2013 UPOV Notes provide strong support for their territorial limitation (see the previous point) but at the same time limit the relevant authority to the enforceable right. Paragraph 4 of the Notes is clear:

> '4. "Unauthorized use" refers to the acts in respect of the propagating material that require the authorization of the holder of the breeder's right in the territory concerned (Article 14(1) of the 1991 Act), but where such authorization was not obtained. Thus, unauthorized acts can only occur in the territory of the member of the Union where a breeder's right has been granted and is in force.'

336. I did not find NCP's argument at all convincing that it is not safe to rely on these UPOV Explanatory Notes whilst they are under review. After all, they have existed as guidance since 2013 and cannot have lost their legitimacy simply because a review is underway. It remains to be seen what the outcome of the review is. However, it is difficult to see how a review of these Explanatory Notes could give rise to a change in the legislative approach on the meaning of 'unauthorised use', which is what NCP's submission was hinting at.

337. In the light of these considerations, I reached the clear conclusion that the words 'unauthorised use' in section 6(3) of the Act are limited to use which requires the authorisation of the holder of the plant breeders' right. Therefore, unauthorised use can only occur in a territory where the holder has a plant variety right/plant breeders' right and has not given his authority.

338. I also derive some comfort from the fact that this interpretation accords with the approach taken by the CJEU in *CVVP v Sanchis*, as Asda contended (see [299] above).

339. In the light of my interpretation of 'his rights' as referring only to UK rights, the only relevant unauthorised use of propagating material would be use in the UK. However, even if I had interpreted 'his rights' as referring to any of a bundle of plant variety rights in the particular variety held by the holder anywhere in the world, 'unauthorised use' could only occur in territories where the holder holds a right over the particular variety.

340. In either case, the consequence is that where harvested material derives from territories where the holder does not hold a right over the particular variety, there is no right over that harvested material. In this case, this means that NCP would not have any right under section 6(3) over Tang Gold mandarin oranges from Peru, Chile, Egypt or any other territory where NCP does not have a plant variety right over Nadorcott.

'a reasonable opportunity to exercise' and the influence of the 'cascade principle'.

341. Although the interpretation of 'exercise' involves some separate issues, it is best to address this phrase as a composite. The reason for this is because both sides invoke the 'cascade principle'. This, however, begs the question as to precisely what is meant by the 'cascade principle' and how rigid a principle it is. For example, it seemed to me to be implicit in some of Asda's submissions that the cascade principle must be rigidly enforced such that a rights holder can never engage in parallel litigation, by which I understood Asda to mean litigation against both the farmers/growers and against those further down the distribution chain.

342. Thus, as I recorded in [294] above, Asda say that the two steps of the 'cascade principle' are, in fact, alternatives. The result, according to Asda, is no parallel litigation at all. They say that the right holder can only enforce its right in respect of harvested material

'*where it has not also been possible …. to prevent the users of the propagating material from engaging in [sc restricted] acts.*

343. Concentrating first on the 'exercise' of his rights, it is clear from Asda's arguments that 'exercise' means nothing more than 'assert', or possibly, 'assert in legal proceedings'. In either event, the assertion need not have led to any resolution as to whether the assertion is justified, because, according to Asda, if the legal proceedings are pursued, 'the resulting litigation will conclude the matter'. What this entails, as the facts here show, is that many harvests of material can take place whilst the legal proceedings are outstanding without resolution, with the rights holder having no right to interfere with the harvested material.

344. I acknowledge at once that those who drafted this provision would not have contemplated enforcement proceedings lasting as long as 12, 18 or 20 years, but they would have contemplated enforcement within a year or two, at minimum. Nonetheless, in a national context, litigation against those providing propagating material would be likely to come to the attention of those harvesting material from propagating material so supplied. If the context is international, that would be far less likely.

345. Although, as far as I could tell, NCP did not spell out explicitly what they contended 'exercise his rights' meant, but it is tolerably clear from NCP's arguments that they contended 'exercise' means 'enforce', so as to prevent the unauthorised use of propagating material.

346. One might think that prevention of the unauthorised use of propagating material would also result in the prevention of the harvesting of material, let alone the distribution of it. However, as is reflected in section 6(1), the acts which the holder of the right can prevent are concerned with the creation, sale and distribution of propagating material, but not with the mere use of propagating material. This emphasises the importance of section 6(3) which provides for redress against unauthorised use of propagating material yielding harvested material.

347. Thus, it is important to realise that section 6(3) is primarily enforceable against growers/farmers of the harvested material, but also against those further down the distribution chain. It is also important to appreciate that the last phrase applies '*before the harvested material is obtained*'. This implies, in my view, that the purpose of the exercise of his rights is to prevent the harvested material being obtained by the farmer or grower and also suggests that once the rights have been exercised, no harvested material can be obtained.

348. All these considerations lead me to the conclusion that 'exercise his rights' signifies, in my view, that the right has been enforced to the extent available, not merely asserted. In this context it entails that the obtaining of harvested material has been prevented.

349. With that in mind, I turn to the other part of this expression – 'a reasonable opportunity'. This means what it says. It must be a matter of fact and degree, to be determined in all the circumstances, as to whether the right holder has had a reasonable opportunity to exercise his rights.

350. However, it is possible to go further and say what is not consistent with 'a reasonable opportunity'. It must mean, in my view, that Asda's contention that the two steps of the

cascade system are alternatives is wrong. Indeed, the whole point of the expression 'a reasonable opportunity' is to introduce a flexible test, not the rigid test for which Asda seem to argue.

'obtained'

351. This word appears twice. I have already dealt with the second phrase in which it appears – '*before the harvested material is obtained'* – which specifies the period within which the reasonable opportunity to exercise '*his rights*' must have existed. However, the first phrase in section 6(3) in which this word appears specifies what the rights apply to viz. '*The rights conferred…shall also apply as respects harvested material obtained through the unauthorised use of propagating material of the protected variety…'*

352. I have addressed the meaning of 'unauthorised use' above, but I should consider whether there is any form of territorial limitation on where the unauthorised use takes place and hence on where the harvested material is obtained. In view of the fact that the rights in section 6(1) apply specifically to exporting and importing of propagating material, I see no reason why any form of territorial limitation should be inferred on where the harvested material is obtained, in the absence of some specific wording to that effect.

353. I can now move to apply the facts to the legal analysis I have outlined.

Analysis - the Facts.

354. In the light of my decisions on interpretation, and since the basic facts are not in dispute, I can state my conclusions succinctly on the application of the legal principles to the facts here. All of this assumes that I reached the wrong conclusion on the first issue i.e. the operating assumption here is that, contrary to my finding on Issue 1, Tang Gold was essentially derived from Nadorcott. Logically, the issues are approached in the following order.

355. First, the subject-matter of the rights in section 6(3) is harvested material obtained through the unauthorised use of propagating material. Thus, the relevant harvested material is that obtained from countries where NCP has plant variety rights. Accordingly, Tang Gold fruit obtained from Peru, Chile, Egypt or any other country where NCP has no plant variety right could not, in any event, fall within or become subject to section 6(3).

356. Second, in this case, in section 6(3), 'his rights' refers to NCP's UK plant breeders right. NCP had no opportunity to exercise those rights in relation to the unauthorised use of propagating material. No such unauthorised use took place in the UK.

357. Third, even if I am wrong about 'his rights' and they refer to the whole bundle of plant variety rights in Nadorcott owned by NCP, I would still conclude that NCP have not had a reasonable opportunity to exercise those rights in either South Africa or Spain. That is precisely because NCP has not yet managed to enforce those rights to prevent the unauthorised use of propagating material or the obtaining of harvested material from Tang Gold trees.

358. In all these circumstances, had I reached the opposite conclusion on Issue 1, NCP would not have been prevented from exercising their rights under section 6(3) and would have been able to obtain an injunction against further import of Tang Gold into the UK and monetary relief in respect of the import and sale of Tang Gold fruit prior to the grant of the injunction.

Overall Conclusion

359. Although I have found mostly against Asda on the second issue, I have found against NCP on the first, so this action is dismissed.

Annex - The Agreed Chronology of Foreign Litigation

1. The events set out below were agreed without prejudice to the parties' ability to establish further events not inconsistent with them.

Spanish Proceedings

2. Propagating material for Tang Gold was imported into Spain by Eurosemillas SA ("Eurosemillas") in 2006 and delivered to the Instituto Valenciano de Actividades Agrarias (the "IVIA")1.

3. On 3 April 2008, the Claimant in the present proceedings ("NCP") commenced infringement proceedings under its Community Plant Variety Right number 14111 (the "CPVR") against the IVIA and Eurosemillas before the Commercial Court of Valencia No.1 (the "First Claim"), seeking, inter alia, interim relief. The First Claim was assigned case no. PO 310/008.

4. On 23 July 2008, the Commercial Court of Valencia No.1 (the "Court") in Decree no 331/2008 denied NCP's application for interim relief against the IVIA and Eurosemillas.

5. NCP appealed the decision of the Court denying interim relief (the "Appeal"). On 25 June 2009, the Appeal was rejected by order of the Valencia Court of Appeals.

6. On 6 May 2009, the Minister for Agriculture (at the request of the Valencian Government Attorney representing the IVIA) submitted a petition challenging the jurisdiction of the Court to declare whether the Tang Gold variety was an essentially derived variety ("EDV"). As a result, the pre-trial hearing held on 7 May 2009 was adjourned.

7. On 29 May 2009, NCP filed a submission requesting the Court to reject the jurisdictional challenge and continue the proceedings.

8. On 29 April 2011, the Court rejected the Minister for Agriculture's petition, leading to a referral to the Supreme Court of Spain (the "Supreme Court").

9. On 14 December 2011, the Supreme Court ruled that the Court had jurisdiction to determine the EDV status of Tang Gold. Proceedings for the First Claim were resumed and the pre-trial hearing was resumed on 3 May 2012.

10. The pre-trial hearing was again adjourned following a procedural objection raised by the IVIA. On 30 May 2012, the Court issued a decision accepting the procedural objection and requesting NCP to file an administrative complaint (reclamación gubernativa) before the IVIA itself, and suspended the Court proceedings until that complaint was resolved. Following this order from the Court, NCP filed an administrative complaint before the IVIA on 22 June 2012.

11. On 19 November 2014, NCP filed a request for the Court to expedite the proceedings.

12. On 2 April 2015, the Club de Variedades Vegales Protegidas (the "CVVP") (on behalf of NCP's Spanish licensee) commenced proceedings against Penoso Agricola SL

("PA") (the "Second Claim"). PA is a producer of the Tang Gold variety under licence from Eurosemillas. The Second Claim was assigned case no. PO 400/2015.

13. On 14 April 2015 the Court issued a request for NCP to confirm whether a response had been received to the administrative complaint filed before the IVIA.

14. On 21 April 2015, NCP confirmed that no decision had been rendered on the administrative complaint and again requested resumption of the First Claim.

15. On 15 June 2015 the Court scheduled the pre-trial hearing for the First Claim to be resumed on 12 July 2015. Upon request from Eurosemillas filed on 26 June 2015, the pre-trial hearing for the First Claim was rescheduled for 6 October 2015.

16. On 16 June 2015, the CVVP requested that the First Claim and the Second Claim be joined (the "Consolidation Request"). NCP filed submissions in support of this petition on 1 July 2015 and, on 15 September 2015, requested that the pre-trial hearing be resumed after a decision on the Consolidation Request. On 30 September 2015, the Court issued a decision to resume the pre-trial hearing after its decision on the Consolidation Request.

17. On 12 May 2016, NCP filed a request for the Court to expedite its decision on the Consolidation Request.

18. On 31 May 2016, Eurosemillas commenced nullity proceedings against the CPVR (the "Nullity Proceedings") before the Community Plant Variety Rights Office ("CPVO").

19. The First Claim and Second Claim were consolidated on 2 March 2017 (the "Consolidated Claim").

20. On 5 October 2017, NCP and Eurosemillas filed a joint petition with the CPVO at NCP's request to stay the Nullity Proceedings due to force majeure circumstances until 15 January 2018. A second joint petition was filed at the CPVO by NCP and Eurosemillas on 5 January 2018 to extend the stay of the Nullity Proceedings until 15 March 2018. The stay of the Nullity Proceedings was lifted on 15 March 2018.

21. On 4 December 2018, Eurosemillas filed a petition for a stay of the Consolidated Claim pending the Nullity Proceedings before the CPVO (the "Stay Petition"). No formal order concerning the Stay Petition was ever issued by the Court.

22. On 16 December 2019, the CPVO Panel of First Instance upheld the validity of the CPVR. The decision was upheld by the Board of Appeal on 2 January 2023. Eurosemillas appealed the Board of Appeal's decision to the General Court of the European Union on 17 March 2023.

23. On 4 February 2020, the CVVP informed the Court on the decision of the CPVO Panel of First Instance and asked for the continuation of the Consolidated Claim.

24. NCP filed a petition for the continuation of the Consolidated Claim on 4 February 2022. The CVVP filed another petition with the Court requesting continuation of the Consolidated Claim in February 2023. Eurosemillas objected to the petitions of NCP and the CVVP.

25. On 5 May 2023 the Court formally invited the Parties to file observations on the Stay Petition in respect of the Consolidated Claim. NCP opposed the Stay Petition on 29 May 2023 and reiterated its request for continuation of the Consolidated Claim. The CVVP also filed an opposition to the Stay Petition on 25 May 2023. Eurosemillas and Penoso reiterated their arguments in support of the Stay Petition.

26. The Court scheduled a new date for the pre-trial hearing to be resumed on 20 November 2023. During July 2023, Eurosemillas and Penoso filed motions for reconsideration (recursos de reposición) against the decision of the Court -and each of them adhered to the motion filed by the other. NCP opposed to those motions for reconsideration.

27. On 18 October 2023 the Court agreed to NCP's request to reschedule the pre-trial hearing due to their lead counsel being on maternity leave.

28. On 11 September 2024, the General Court affirmed the decision of the Board of Appeal, upholding the validity of the CPVR.

29. On 12 and 23 September 2024, the CVVP and NCP respectively requested continuation of the Consolidated Claim following the decision of the General Court.

30. On 17 and 26 September 2024, Penoso and Eurosemillas respectively opposed the continuation of the Consolidated Claim until Eurosemillas' appeal against the General Court's decision was definitively resolved.

31. On 11 November 2024, Eurosemillas applied to the Court of Justice of the European Union ("CJEU") for permission to appeal the General Court's decision. The request was denied by the CJEU on 14 March 2025.

32. On 18 March 2025, Eurosemillas informed the Court of the CJEU's decision and requested the Court to schedule a new date for the pre-trial hearing to be resumed.

33. On 13 June 2025, NCP filed a submission before the Court reiterating the need to schedule a new date for the pre-trial hearing and requested the Court to resolve certain issues beforehand (i.e., the access by NCP to non-disclosed attachments to Penoso's response to the CVVP's claim and the appointment of an economic expert for the calculation of damages).

South African Proceedings

34. On 29 March 2004, NCP was granted Plant Breeders' Right ZA20043008 (the "ZA PBR") in respect of the Nadorcott variety in South Africa.

35. On 18 August 2011, NCP sent a warning letter to the Citrus Research Institute ("CRI") regarding CRI's propagation of the Tang Gold variety in South Africa.

36. On 31 August 2011, CRI responded advising that the University of California Riverside ("UCR") had awarded testing rights to CRI for the Tang Gold variety in South Africa and commercial rights had been awarded to Eurosemillas.

37. On 18 January 2012, Eurosemillas and Dinaledi Farming Enterprises (Pty) Ltd ("Dinaledi") sent a letter to NCP and NCP's South African licensee Citrogold (Pty) Ltd

("Citrogold") informing them of their intention to commercialise Tang Gold in South Africa.

38. On 20 July 2013, Mr Bryan Offer of Citrogold sent an email to CRI. Mr Offer stated in that email (1) that over the previous 18 months, Citrogold had encountered market rumours of commercial sales of Tang Gold plant material to nurseries; (2) that on questioning the CRI's Citrus Foundation Block ("CFB") about this, he had been assured that these were for experimental purposes only; (3) he also referred to a recent CRI grower meeting where he states that it was shown that CRI sales of Tang Gold to nurseries had been in the region of 120,000 buds; and (4) he requested that the CRI and CFB desist from any further commercial sales of Tang Gold.

39. In April 2014, in response to continuing rumours of sales of Tang Gold plant material to nurseries, Citrogold issued a circular to all of its licensed nurseries stating that the ZA PBR was valid and enforceable, and that any commercial exploitation of Tang Gold without its consent would infringe the ZA PBR.

40. On 17 July 2014, while visiting a commercial nursery operated by members of the Stargrow group of companies (collectively, "Stargrow"), the general manager of Citrogold discovered tens of thousands of young Tang Gold trees, which had been generically labelled as "mandarin" trees.

41. On 23 July 2014, Mr Offer obtained from the CFB a schedule of bud distribution of the Tang Gold variety, which stated that 121,810 and 417,708 buds of the Tang Gold variety had been supplied to nurseries in South Africa during the 2012-2013 and 2013-2014 seasons respectively.

42. On 6 August 2014 Mr Offer states that he contacted Gamtoos (a nursery located in Eastern Cape) by telephone and confirmed they had Tang Gold trees in stock. Shortly thereafter, he learned from an acquaintance that Henley (a nursery located in the Lowveld) had been growing approximately 5,000 Tang Gold trees for delivery when he had visited in July 2014.

43. On 28 August 2014, NCP and Citrogold sent warning letters to CRI, Dinaledi, Stargrow, Gamtoos, Henley and other South African nurseries involved in the commercialisation of Tang Gold in relation to their alleged acts of infringement of the ZA PBR.

44. On 3 September 2014, Eurosemillas responded to NCP's warning letter, refusing to provide the requested undertakings and denying that the ZA PBR was either valid or infringed by Tang Gold.

45. Also on 3 September 2014, the managing director of Goede Hoop Citrus (Pty) Ltd, a large South African citrus exporter, provided an affidavit to NCP attesting that he had been approached by Eurosemillas with the offer of a licence to exploit Tang Gold, as conditions of which trees of the Tang Gold variety should be placed in locations concealed from visitors and not referred to by their varietal name.

46. On 11 September 2014, NCP and Citrogold filed an interim injunction application against Eurosemillas, CRI, Stargrow, Gamtoos, Dinaledi, Henley and other nurseries

involved in the commercialisation of Tang Gold (the "ZA Defendants"), alleging infringement of the ZA PBR (the "Interim Application").

47. On 25 September 2014, the High Court of South Africa (Western Cape Division) issued an order postponing the hearing for the Interim Application until 26 February 2015.

48. Infringement proceedings on the merits were issued by NCP and Citrogold on 3 October 2014 (case no. 17606/014).

49. On 27 February 2015, NCP withdrew its application for interim relief following undertakings given by the ZA Defendants.

50. On 2 July 2015, the ZA Defendants filed a claim in reconvention (i.e. a counterclaim) for the termination of the ZA PBR on the basis of its alleged invalidity (the Termination Claim).

51. On 20 June 2016, in response to a request filed by the ZA Defendants, the court ordered that the Termination Claim should be determined separately from and as a prior issue to the infringement claim. As a result of this order, the parties agreed that discovery and exchange of particulars for trial would be confined to the counterclaim.

52. During the course of 2017, NCP, Citrogold and the ZA Defendants provided initial discovery of relevant documents in their respective possession and control in relation to the infringement claim and the Termination Claim.

53. During the course of 2018 to 2025, the parties exchanged multiple rounds of requests for – and made – supplementary discovery of documents in relation to the infringement claim and the Termination Claim.

54. During the course of 2022 to 2024, NCP, Citrogold and the ZA Defendants exchanged two rounds of expert evidence concerning technical matters of fact and of law relating to the Termination Claim.

55. On 12 August 2025, following a case management meeting, the presiding judge issued a directive to the parties to arrange meetings between their respective legal and technical experts for the purpose of producing joint statements regarding areas of agreement (and disagreement) between the experts. Under the same directive, further pre-trial preparations were postponed until 3 November 2025.

56. As of September 2025, the discovery process is still ongoing, and the case has not yet been declared ready for trial.