SPC Guiding Case No. 100: Shandong Denghai Pioneer Seed Co., Ltd. v. Shaanxi Nongfeng Seed Co., Ltd. and Shanxi Dafeng Seed Co., Ltd. (Infringement of New Plant Variety Rights Dispute)

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SPC Guiding Case No. 100

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Keywords

Civil; infringement of new plant variety rights; characteristics; DNA fingerprint identification; DUS test report; distinctness

Holding

Determining that the characteristics of the alleged infringing propagating material are identical to those of the protected variety is a precondition for finding infringement of a new plant variety right. Where the DNA fingerprint identification opinion finds the two to be identical or highly similar, and the alleged infringing party submits a DUS test report proving that, through field planting, the allegedly infringing variety shows distinctness as compared with the protected variety, it shall be found that no infringement of the new plant variety right is constituted.

Basic Facts

Pioneer International Seeds Company was the holder of the new plant variety right in "Xianyu 335," and it authorized Shandong Denghai Pioneer Seed Co., Ltd. (hereinafter "Denghai Company") as licensee to bring a civil action for infringement of the new plant variety right. On March 16, 2014, Denghai Company sued in the Xi'an Intermediate People's Court of Shaanxi Province, claiming that the corn seeds with outer packaging marked "Dafeng 30" produced in 2013 by Shanxi Dafeng Seed Co., Ltd. (hereinafter "Dafeng Company") and sold by Shaanxi Nongfeng Seed Co., Ltd. (hereinafter "Nongfeng Seed Industry") infringed the new plant variety right in "Xianyu 335." On June 9, 2013, the Beijing Corn Seed Testing Center tested the submitted alleged infringing seeds using the NY/T1432-2007 corn variety DNA fingerprint identification method, employing a 3730XL genetic analyzer and a 384-well PCR instrument. The conclusion was that sample No. YA2196, as compared with control sample No. BGG253 "Xianyu 335," had 40 compared loci and 0 differing loci, and the conclusion was that the two were identical or extremely similar.

In the "Statement on the Trial and Approval of the 'Dafeng 30' Corn Variety" issued by the Shanxi Provincial Agricultural Seed Station on April 25, 2014, it was recorded: "Dafeng 30" was a variety that Dafeng Company applied to have examined and approved in 2011. Because the DNA fingerprint identification conducted by the Corn Research Center of the Beijing Academy of Agriculture and Forestry Sciences found no difference between "Dafeng 30" and "Xianyu 335" at 40 compared loci, the two varieties were determined to have no obvious difference, and "Dafeng 30" did not pass examination and approval in 2011. Dafeng Company raised an objection, and the station in 2011 commissioned the Plant New Variety Testing Center of the Ministry of Agriculture to conduct a DUS test, i.e., distinctness, uniformity, and stability testing, on "Dafeng 30." The conclusion was that "Dafeng 30" possessed distinctness, uniformity, and stability, and was a different variety from "Xianyu 335." As an examined, approved, and promoted variety, "Dafeng 30" corn seed passed examination and approval by the Shanxi and Shaanxi Provincial Crop Variety Examination and Approval Committees in February 2012.

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In the first instance, Dafeng Company submitted the original of the "Agricultural Plant New Variety Test Report" issued in December 2011 by the Plant New Variety Testing Center of the Ministry of Agriculture. The test location was the test base of the Yangling Branch Center of the Plant New Variety Testing Center of the Ministry of Agriculture; the test standard applied was the "Guidelines for DUS Testing of Plant New Varieties — Corn"; the test materials were provided by the Plant New Variety Testing Center of the Ministry of Agriculture; and the test period was one growth cycle. The distinctness column of the test report recorded the similar variety as "Jian 2011-001B Xianyu 335," with the differing trait: "41 Ear: intensity of anthocyanin coloration of glumes of cob." The description for the applicant variety was "8 strong to very strong," and that for the similar variety was "5 medium." The appended data table recorded that the test results for "Jian 2011-001A (Dafeng 30)" and "Jian 2011-001B" differed not only in "41 Ear" but also in "9 Tassel: intensity of anthocyanin coloration of anthers," which were respectively "6 medium to strong, 7 strong," "24.2 Plant: height," respectively "5 medium" and "7 tall," and "27.2 Ear: length," respectively "5 medium" and "3 short." The conclusion was that "Dafeng 30" possessed distinctness, uniformity, and stability.

During the second-instance proceedings, Dafeng Company submitted the "Agricultural Plant New Variety DUS Test Report" tested and approved on April 28, 2014, bearing the seals of the Yangling Branch Center of the Plant New Variety Testing Center of the Ministry of Agriculture and the Office for the Protection of New Varieties of Plants of the Ministry of Agriculture. The test standard applied was the "Guidelines for the Conduct of Tests for Distinctness, Uniformity and Stability — Corn." The test period was two growth cycles, "April to August 2012 and April to August 2013," and the similar variety was "Xianyu 335." The recorded differing traits were: "11. Tassel: intensity of anthocyanin coloration of anthers — applicant variety 7 strong, similar variety 6 medium to strong"; "41. Grain: shape — applicant variety 5 wedge-shaped, similar variety 4 near wedge-shaped"; and "42. Ear: intensity of anthocyanin coloration of glumes of cob — applicant variety 9 very strong, similar variety 6 medium to strong." The test conclusion was that "Dafeng 30" possessed distinctness, uniformity, and stability.

Judgment

On September 29, 2014, the Xi'an Intermediate People's Court of Shaanxi Province rendered Judgment No. (2014) Xi Zhong Min Si Chu Zi No. 132, rejecting Denghai Company's claims. Denghai Company, dissatisfied, appealed. On March 20, 2015, the Shaanxi Higher People's Court rendered Judgment No. (2015) Shaan Min San Zhong Zi No. 1, rejecting the appeal and affirming the original judgment. Denghai Company, still dissatisfied, applied to the Supreme People's Court for retrial. On December 11, 2015, the Supreme People's Court rendered Ruling No. (2015) Min Shen Zi No. 2633, rejecting Denghai Company's retrial application.

Reasoning

The Supreme People's Court, upon review, held that this case mainly involved the following two issues.

I. On the issue of determining whether "Dafeng 30" possessed distinctness

When examining and approving major crop varieties in China, the variety applying for examination and approval must be clearly distinguishable from other varieties that have already passed examination and approval or that have been accepted by the variety examination and approval committee at the same level. In the 2011 variety examination and approval, "Dafeng 30" was found, through DNA fingerprint identification, to have no difference from "Xianyu 335," was regarded as the same variety, and therefore failed to pass that year's examination and approval. Dafeng Company raised an objection to the conclusion, asserting that the two varieties had obvious differences in traits and were different varieties, and applied for field planting testing. Under the Measures for the Examination and Approval of Major Crop Varieties, an applicant who has an objection to the examination and approval result may apply to the original examination and approval committee for reexamination; where the office of the variety examination and approval committee deems it necessary, a production-cycle variety test may be arranged before the reexamination. The DUS test report

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submitted by Dafeng Company in the first instance was precisely the test completed by the Plant New Variety Testing Center of the Ministry of Agriculture after Dafeng Company raised its objection and the Shanxi Provincial Agricultural Seed Station commissioned the test. The test report was produced by the Plant New Variety Testing Center of the Ministry of Agriculture, which, in accordance with the Measures for the Examination and Approval of Major Crop Varieties, designated the corresponding DUS testing institution to conduct field planting, organized the test data by reference to the relevant testing guidelines, described the traits, and compiled the test report. The test report was authentic and lawful, and was relevant to the facts in dispute to be proved. The DUS test report in question recorded that "Dafeng 30" had obvious and reproducible differences from the similar variety "Xianyu 335," satisfying the provision of NY/T2232-2012 "Guidelines for the Conduct of Tests for Distinctness, Uniformity and Stability — Corn" that "where the applicant variety differs from the similar variety by at least one obvious and reproducible trait, the applicant variety may be determined to possess distinctness." Therefore, it could be found on the basis of the test report in question that "Dafeng 30" possessed distinctness.

II. On the issue of whether infringement should be found on the basis of the DNA fingerprint identification opinion

As a method of genotype identification conducted indoors, DNA fingerprint identification technology is economical and convenient, is not affected by the environment, and has a short test cycle, which is conducive to timely protection of the rights holder's interests and can also improve the efficiency of screening similar varieties and distinctness evaluation. In practice, it is mostly used to test the authenticity and uniformity of varieties, and fingerprint databases of relevant varieties have been built on the basis of molecular marker technology. The core primers (loci) adopted in DNA fingerprint identification do not necessarily correspond to the trait characteristics in DUS testing, whereas the approval authority for new plant variety rights conducts substantive examination of the distinctness, uniformity, and stability of the applicant variety on the basis of field planting DUS testing. In the examination and approval of major crop varieties, the variety test is likewise conducted on the basis of the breeding report and comparative test report of the variety applying for examination and approval, and the traits exhibited by the variety in field planting are tested, analyzed, and evaluated. Therefore, for propagating material, its characteristics shall be determined on the basis of the traits determined by field planting DUS testing. Accordingly, where the DNA identification opinion finds the materials to be identical or highly similar, a paired DUS test comparison may be directly conducted in the field to determine identity through field phenotype. Where the alleged infringing party claims to overturn the DNA fingerprint identification opinion by the distinctness conclusion determined through field planting DUS testing, it shall submit evidence to prove that claim. Since the DUS test report in question submitted by Dafeng Company proved that, through field planting, "Dafeng 30" showed distinctness as compared with "Xianyu 335," and pursuant to the rule for determining infringement of a new plant variety right, namely that "the characteristics of the alleged infringing subject matter are identical to those of the protected variety, or the difference in characteristics is caused by non-genetic variation," the characteristics of "Dafeng 30" and "Xianyu 335" were not identical, and there was no act of "Dafeng 30" infringing the new plant variety right in "Xianyu 335." The "Dafeng 30" produced by Dafeng Company and sold by Nongfeng Seed Industry did not infringe the new plant variety right in "Xianyu 335." In summary, Denghai Company's retrial application was rejected.

(Judges of the effective judgment: Zhou Xiang, Qian Xiaohong, Luo Xia)

Relevant Legal Provisions

Articles 2 and 6 of the Regulations of the People's Republic of China on the Protection of New Varieties of Plants

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