

Respecting Intellectual Property, Some Advice for Professional Propagators

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An update on my whereabouts

Curicó, 7th region (Maule), 2 hours South of Santiago by car.

Curicó is an important production area for:

Wine, Cherries, Pears, Apples,
Caneberries, Blueberries, and Kiwis

Also, nursery stock (mainly of the above species)

Although at 35°S. Lat., Summers are like Oregon, winters are like California

Introduction

- New varieties move the nursery business
- Propagators are the first to handle them
- Increasingly new varieties are proprietary
- A propagator's success is partly based on his/her ability to get access to new materials
 - Access is determined not only by skill, but by how well you handle other's IP as well
- Therefore, propagators must be well-informed about Intellectual Property (IP) and how it works in Horticulture

Why a presentation about IP for propagators in particular?

- Like it or not, we live in an increasingly litigious world and IP mistakes can be costly.
- There is no “Standard” format for licenses or testing agreements, and one size does not “fit all”.
- Most licenses are written with finished stock producers in mind (not liner producers).

Problems with agreements written for finished stock growers only

- Requirement to collect royalties on each unit sold or transferred
- Requirement to label “each unit” sold or transferred
 - Licenses are legally binding contracts, so clarify:
 - When royalties are or are not paid
 - What minimal labeling is necessary for identification
 - Proper labels (patent tags) may be sent separately
 - No need to send labels to other licensees
 - Proper label agreement (an alternative)

Examples of properly written labels

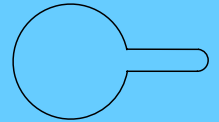
- These examples comply substantially with the minimum labeling requirements of the majority of license agreements I have reviewed.
- They also comply with federal patent and trademark law.
- Any label, elaborate or simple, can be “proper” as long as it contains the minimum information required.

Proper labels for patented or “patent applied for” varieties

Hearts of Gold Redbud

Cercis canadensis ‘Hearts of Gold’ PPAF

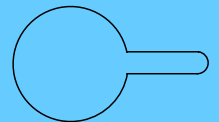
Asexual propagation of this patented plant prohibited without license



Blue Shadow Witch Alder

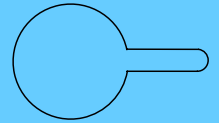
Fothergilla major ‘Blue Shadow’ PP15,490

Asexual propagation of this patented plant prohibited without license

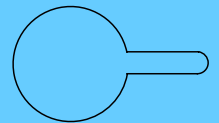


Proper trademark usage on plant labels

Heritage® River Birch
Betula nigra 'Cully'



Crimson Pointe™ Plum
Prunus cerasifera 'Cripoizam'



Why have a separate agreement between you and your customers?

- Will your customers reliably attach the labels you provided?
- What happens if they don't and your licensor discovers a problem?
- Potential problems that could arise:
 - Improper labeling
 - Illegal propagation
 - Unauthorized exportation

The Customer Label and Non-Propagation Agreement

- Developed by North American Plants and PlantHaven to better communicate requirements to customers.
- The agreement contains the following:
 - **Recitals** (to define the parties and purpose of the agreement)
 - **Covenants:**
 - To label each unit sold with a proper label as noticed by NAP
 - To not propagate proprietary material without authorization
 - To not export proprietary materials outside of the USA
 - **Other Clauses:**
 - To explain how to satisfy the proper labeling requirement
 - To whom to direct inquiries (to NAP)
 - To set forth the circumstances under which the agreement is applicable
 - **Signature and Date blocks:**
 - This area also includes an option for the customer to purchase labels from the propagator or to agree to produce proper labels themselves

Benefits of a customer-propagator IP agreement

- Better for customers because:
 - Clarifies proper usage of IP
 - Avoids spelling and other errors
- Better for the propagator because:
 - It streamlines the process of communication
 - It provides proof of notification to customer
- Better for the licensor or breeder because:
 - It provides an additional layer of notification to growers, thereby providing additional protection of the IP
- And, overall, it reduces exposure for all parties

The IP agreement is not too onerous:

- The agreement does not apply if:
 - The plants purchased are in the public domain
 - The customer obtains a license for the IP in question
- The agreement need only be executed once
 - However, it is advisable to send out complete lists of proper label examples with every invoice
 - Our proper label lists look just like the examples of proper labels shown a minute ago

How to handle foreign customers and experimental varieties:

- Protecting IP outside of the USA
 - Prevent theft
 - Check with owner prior to selling outside of territory
 - Add a disclaimer to your catalog about foreign sales
- Protecting experimental varieties or advance selections in your care.
 - All of the above, and:
 - Do not disclose such material to third parties
 - Keep experimental material hidden
 - Visitors to sign a non-disclosure agreement

Unauthorized propagation or trademark usage

- Avoid infringement, whether accidental or not.
- Use the internet and other resources to be informed about what you grow.
- Always be proactive if you have made a mistake
- Always report suspected infringement

Conclusion and Disclaimer

- It is important to be informed about your license obligations and to be savvy about IP in your business.
- I hope that this information is helpful, but:
 - Mike Remmick, North American Plants, PlantHaven, the International Plant Propagator's Society are NOT attorneys and therefore we cannot dispense legal advice!!

Chilean Wine Palms (*Jubea chilensis*) growing on a hacienda in the Central Zone

